DOCUMENT RESUME

ED 184 452 HE 012 478

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TITLE Observations on Higher Education in Louisiana: Student Financial Aid and Governance.
INSTITUTION Sloan Commission on Government and Higher Education, Cambridge, Mass.
PUB DATE Oct 78
NOTE 104p.; For related Sloan Commission documents see HE 012 421-427, HE 012 429-432, HE 012 434-439, HE 012 442-445, HE 012 448-449, HE 012 465-474, HE 012 476-480, HE 482-490.

EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS Access to Education; Budgeting; Constitutional Law; Costs; Educational Finance; Federal Government; *Governance; Government School Relationship; *Higher Education; *Institutional Autonomy; Mathematical Formulas; Resource Allocation; *Retrenchment; State Boards of Education; State Government; *Statewide Planning; Student Costs; *Student Financial Aid; Tables (Data)
IDENTIFIERS *Louisiana; *Sloan Commission Studies

ABSTRACT

Observations are provided on the current state of student financial assistance and governance of higher education in Louisiana, and how these two areas affect broader issues in higher education. Briefly discussed are the history of student aid in the state; changes in tuition and fees; coordination of student aid programs and charges; allocation of resources in relation to student need; the issues of student access and college choice; criteria for awards, including merit; funding by type of institution and program; financial aid in relation to institutional costs; and retention. It is concluded that if access to higher education is seen as the principal reason for financial aid programs, the state needs to provide less indirect aid and more aid in the form of direct awards to students. Historic and present systems of coordination and governance are outlined; budget and appropriations processes are examined. It is noted that Louisiana's higher education governance structure is well established in the state constitution. Because the state is currently committed to maintaining all institutions and justifiable programs, the issues facing the Board of Regents are seen as those of management and finance rather than of academic excellence. It is predicted that institutions will encounter conflicting constraints in the governance structure that may permanently damage the educational process in the state unless the intellectual independence of higher education is assured by government agencies. Some data tables are included. (MSE)

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OBSERVATIONS ON HIGHER EDUCATION IN LOUISIANA:

STUDENT FINANCIAL AID

AND

GOVERNANCE

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PREFACE

At the time I accepted the prestigious appointment to participate in the states study component of the broader study by the Sloan Commission on Higher Education, it was believed that at least six weeks of my summer would be free to conduct the study. Just after accepting the appointment, the President of the LSU System requested that I go to LSU at Alexandria to serve as Interim Chancellor in an emergency situation. Thus, during the month of June, no substantial work was done on the project. Substantial parts of July and August were spent gathering background information important to the study. In late August, the LSU System recognized the need for the study to be completed, and at some sacriface freed me to devote large portions of September and October to the study. I am appreciative to President Woodin for making it possible for me to participate in the study, and to the Sloan Commission for extending their original time limitations on the work.

While it delayed the effort, the time spent at LSU at Alexandria was of considerable value to the study. The problems at this two-year commuting campus were, in part, related to the impact of governance on the institution. Also, it was my first experience outside the state's comprehensive university. Through this experience, it became clear that the form of governance that best supports Ph.D. programs is not nearly optimum for associate degree programs. For central governance to be effective, it must be sufficiently flexible and wise to accommodate profound differences in programs and institutions.

A great deal of time was devoted to reviewing the financial aid program at the two-year institution. As in the case of governance, great contrast was observed between the impact of financial assistance programs in a two-year institution as opposed to a state university. Thus, the opinions expressed herein were influenced by the perceptions gained while at LSU-A.

The data included in this paper has been derived from a variety of sources and is considered to be accurate. The analysis of the data, conclusions, and opinions whould be attributed solely to me.

It is a pleasure to acknowledge the contributions of those who assisted in the preparation of this paper: Mr. Leslie Lavergne of LSU gathered together much of the data relative to student financial assistance, and through his long experience as a student financial aid officer provided the history of student financial assistance in Louisiana; Dr. William Arceneaux, Commissioner of Higher Education, granted an extensive interview on the issues of higher education as viewed from the Board of Regents. He also made numerous documents available. Mr. E. L. (Bubba) Henry, Speaker of the House of Representatives, granted an extensive interview on the issues of higher education as viewed by the Legislature; Mr. J. Kelly Nix, Superintendent of Education, provided much information on governance of public education and the vocational-technical schools as it relates to higher education; Ms. Lynn DeSille of LSU collected numerous documents, many without adequate references, and typed the manuscript. The help of these competent people was of great

value to me; in their various capacities they shaped the paper in important ways. Finally, I wish to express my appreciation to the Sloan Commission for Higher Education, the understanding gained through my own efforts and through association with the highly competent members of the states study team and the Sloan staff will be of great personal value in the future.

James H. Wharton

Baton Rouge, Louisiana
October, 1978

I. Introduction

The purpose of this paper is to provide observations on the current status of student financial assistance and governance of higher education in Louisiana. An attempt is made to determine how these two major areas are affecting the broader issues which face higher education in Louisiana. Even though the issues involve complexities beyond current levels of human understanding, an attempt has been made to project the impact of these two major areas into the future of higher education in Louisiana. Much of this paper then must be taken as the personal speculations of the writer. The focus of the paper is on the problems and tensions between government and higher education, and therefore, may come across as an overly pessimistic view to the reader not familiar with the objectives of the project.

In the early stages of collecting information for this paper it was thought that personal interviews would provide the best approach toward researching the topics at hand. However, after obtaining some first-hand experience and rethinking the approach, it became clear that current educational trends transcend persons who currently hold influential offices. Over the years, the writer has had numerous opportunities to discuss educational issues with presidents, chancellors, management board mambers, coordinating board members, and legislators. Issues uppermost in their minds depend upon the current problem at hand and their views depend upon their responsibilities. While it is true this is valuable information, especially in a system prone to random fluctuations, there seemed to be in Louisiana a deeper

current carrying all in the same direction. An attempt was made to understand this uniform drift by reviewing controlling documents. Within Louisiana, higher education is being woven into a continuous fabric. There presently exist numerous controlling documents which relate consistently to one another. These include: The State Constitution, numerous state laws, State Appropriations Formula, State Master Plan, numerous guideline and policy statements, and others. It would be most difficult, if not impossible, for one individual or a group of individuals to reverse substantially the main thrust of this movement. The existence of these controlling documents influences the thinking and actions of the higher educational system from faculty all the way up to the Governor.

Thus, in order to understand educational trends in Louisiana, it is necessary to first understand these documents and then to observe the actions taken by the various governing bodies. In the opinion of the writer, directions being taken by state governing agencies will be greatly impacted by the federal approach toward providing higher educational opportunities. The Sloan Commission could not have chosen two more vital issues than state governance and student financial aid programs.

II. Student Financial Assistance

A. A Brief History of Student Financial Aid in Louisiana

The history of student financial aid in Louisiana begins with awards made in the form of fee exemptions by the individual members of the Legislature and very likely dates back to the founding of Louisiana State University in 1860, although it was 1936 before these were formally authorized by legislation. The legislation of 1936 permitted each State Legislator to grant one award to a student attending Louisiana State University. The exemption covered all scholastic fees and was effective until the student either graduated or otherwise left the University. Recipients had to be Louisiana residents and were chosen by the legislators themselves at their own discretion. In subsequent years, the program was expanded to include students at all Louisiana public colleges and universities, and the number of awards an individual legislator could grant was increased until, in 1956, each legislator and the Lieutenant Governor were permitted to award 50 fee exemption scholarships with a maximum of 20 to any one school. Interestingly, the cost of these fee exemptions was absorbed by the institutions themselves! There was no reimbursement to the schools; however, the institutions did include projections for expenditures in their budgetary requests -- which sometimes were honored and sometimes were not. So, as these awards began to eat into institutional funding, the amount allowed as a fee exemption for an individual student began to diminish -- to the extent that, by 1962, most schools put a ceiling on the exemptions at $10.00

each per semester. There were literally thousands (14,170 to be exact) of these Legislative Fee Exemptions circulating, with each legislator choosing whom he wished, with no central agency controlling the number issued, with each award being of little value, and with the colleges and universities bearing the considerable cost of the program.

It would be difficult to imagine a more poorly conceived "scholarship" program than the Legislative Fee Exemptions, but in 1948 the Legislature gave it a try. It established a Legislative Cash Grant program as a companion measure. The idea here was to allow each legislator, the Lieutenant Governor, and the Governor an allocation of individual cash grants to Louisiana students of their choice, with the maximum that could be given to an individual student set at $300. As might be expected, the program flourished, demand for these grants was heavy, and in succeeding years legislation was continually being passed to increase the number allowed. At the same time, the legislators were reducing the amount of their individual awards so as to attempt to satisfy requests. By 1962, it was not unusual for a student to receive a $5.00 Legislative Cash Grant, nor was it unusual for an enterprising student to collect grants from a number of different legislators. These grants were issued as vouchers to the individual student, and the student could take these to any public institution in the State. The school gave the student immediate credit and then sent the voucher to the State Comptroller for reimbursement. (This portability feature of the program was ahead of its time and had a great deal of merit. Years later,

the Basic Educational Opportunity Grant Program would follow the same direction.) Administrative problems were countless. No single state agency handled the program, and there was very little coordination. Some legislators had no idea how many awards they were making. There was no refund policy, so a student could register, collect his cash grant, and resign the same day. By 1962, approximately 13,000 of these cash grants were in effect.

So, when 1964 rolled around, Louisiana likely had more students on "scholarship" than any other state in the nation -- with the possible exception of New York. After all, a state program with 27,000 recipients is rather impressive in number; and the combined cost to the State for Legislative Fee Exemptions and Legislative Cash Grants was some $1,200,000, which would seem quite reasonable for the number involved -- so reasonable, in fact, that the whole thing had become rather ridiculous. An individual award averaged about $44.00. What a waste! But all this was about to change.

While most of the attention was being focused on legislative scholarships, there was another state program that was created in 1938. It was called the T. H. Harris Scholarship Program -- established in honor of a gentleman who had been State Superintendent of Education for 32 years. A Board of Trustees was set up to administer the program, but Mr. Harris actually selected the recipients himself. After his death, the Legislature sent the money appropriated for these scholarships to the parish school boards which then matched the state appropriation and established student loans with the funds. The

school boards became disenchanted with the student loans when they found they couldn't collect the money owed, so in 1948, the Legislature created the T. H. Harris Foundation and delegated the administrative functions to the State Department of Education. Funds appropriated were then used to present merit scholarships to students selected by the Foundation. Only full-time students having at least B averages were considered; need was not a requirement; individual awards could not exceed $300.00 per year; and each public college and university was allocated a set amount. With little publicity, this program took root and gradually began to grow.

But back to 1964. A new Governor had been elected. One of his campaign promises had been to establish a state student loan program, but he really hadn't formulated any particular plan. When this was learned by several interested parties at Louisiana State University, it was obvious that a rare opportunity was at hand to author a state student aid program that was worthwhile, and at the same time do away with the Legislative scholarships that were of questionable value to the students but which were quite costly to the schools (because of their having to use state appropriated money to honor fee exemptions). After making a thorough study of other state and national student loan programs then in effect, much to their surprise the authors suddenly discovered that in 1963 Louisiana already had legislated into being the Louisiana Higher Education Commission which had been given the power to guarantee student loans. This legislation, though, had not been activated, not publicized, and no such

Commission was really in existence; however, it was important that this piece of legislation was in place, for it could be easily amended to launch the type of program the authors had in mind. The plan that went forward to the Governor spot-lighted the following:

1. The rate to be charged on the student loans would be five percent simple interest and the Commission would pay the full interest on any loan it guaranteed, so long as the student borrower remained enrolled in a Commission-approved school. The Commission could approve private as well as public schools.

2. The Commission would guarantee ninety percent of the unpaid principle and interest in the event of default on the part of the borrower.

3. Annual appropriations would be made to the Commission by the Legislature to cover the interest subsidy as well as develop a reserve fund to back up the guarantee.

4. Loans would be made available to needy Louisiana full-time students who enrolled in schools approved by the Commission. A designated representative of the school would recommend a specific amount for a student based upon that student's financial need, so long as the amount recommended did not exceed $1,000 a year, or a total of $5,000 for the student's entire academic career.

5. The legislative acts providing for Legislative Fee Exemptions and Legislative Cash Grants would be repealed with the funds thus released being redirected for use in the state guaranteed student loan program.

The new Governor accepted the proposal, and after many uneasy moments, his floor leaders successfully piloted it through the 1964 Legislative Session. This was a monumental change in Louisiana student aid. Overnight the state went from a program based completely on patronage (in token amounts) to a program which could be held up as a model to other states. Louisiana had established itself as the first southern state to put a guaranteed student loan program into effect, and one of only two or three which subsidized the student borrower's interest payments.

A year later, Congress passed the Higher Education Act of 1965, which, among other things, called for federally subsidized student loans. Because Louisiana had already moved in that direction, the state was able to enter into an agreement with the U. S. Office of Education whereby the federal guarantee and interest subsidy was transferred into state student loans. This was with some sorrow, however, because even though these federal benefits would ease the financing of the program, there were those who were proud of what Louisiana had done on its own.

In 1971, the Louisiana Higher Education Assistance Commission was authorized to issue state scholarships relative to the State Literary Rally. These scholarships were in the amount of $500.00 to each of the winners in the forty different events. Although a small scholarship program, this did put the Commission into the scholarship business for the first time, and set the tone for the Commission to become the agency to administer new state student aid programs.

The State Student Incentive Grant Program got underway in Louisiana in 1975 and was placed under the jurisdiction of the Louisiana Higher Education Assistance Commission. In setting policies and procedures, the Commission enlisted the support of the Louisiana Association of Student Financial Aid Administrators and the program that came into being can be summarized as follows:

1. Yearly funding for State Student Incentive Grants was requested via the annual budgetary request of the Commission.

2. Any public or private postsecondary school in Louisiana could possibly participate in the program, but that school must first be approved for participation by the Commission.

3. Each participating school was to be allocated funds according to a formula recommended by the Louisiana Association of Student Financial Aid Administrators and approved by the Commission. A provision was made here to reallocate any unused funds by an individual school.

4. To be eligible, a student had to be a Louisiana resident, have a C academic average, be a full-time student, and show substantial need for financial assistance -- with substantial financial need for a dependent student, meaning that the expected parental contribution could not exceed fifty percent of the student's cost of education. If the student met the substantial financial need qualification, he was then expected to show at least $500.00 in self-help (savings, job earnings, or loan). Then, if his cost of education still exceeded all his resources (including any possible Basic Educational

Opportunity Grant) by at least $200.00, he was to be eligible for a State Student Incentive Grant.

5. A grant to an individual student was to be no more than $500.00, nor less than $200.00 for the academic year.

6. Student financial aid officials at the schools were to select the recipients, and before a grant could be put into effect for a particular student at a given school, the student financial aid officer at that school had to certify to the Commission that the student met all qualifications.

As may be surmised from the preceding, the Louisiana State Student Incentive Grant program was being developed as a good, solid financial need program, but perhaps inadvertently it was being targeted toward the same students who were also eligible for Basic Educational Opportunity Grants and Supplemental Educational Opportunity Grants.

Gradually, it came about then that the Louisiana Higher Education Assistance Commission was recognized as the state's central agency for administering student aid programs, even though the State Department of Education still controlled the T. H. Harris Scholarships. For a time, something known as the Stonewall Jackson Scholarship Program was also administered by the State Department of Education; but there were only a handful of these scholarships, with recipients being chosen on the basis of the best essays submitted on the life of Stonewall Jackson, and the program slipped out of existence without anyone taking too much notice. The Louisiana Higher Education Assistance Commission still concerned itself mostly with guaranteed student

loans and incorporated significant changes into the program. The interest rate on student loans was changed to six percent in 1966, and then to seven percent in 1968, where it still remains. Also, in 1968 the guarantee to lenders was changed from ninety percent to one hundred percent. The amount an individual student can borrow per year has been increased to $1,500 for an undergraduate, and to $2,500 for a graduate student, and the need qualification has been changed to agree with that for federally guaranteed student loans (that is, the family's net income must be under $25,000 for the previous calendar year).

By 1977, the Louisiana Higher Education Assistance Commission was operating a sound, but conservative, state guaranteed student loan program; a prestigious, but small, Literary Rally Scholarship program; and very slowly developing a state grant program. Approximately 6,050 loans were being guaranteed per year in an amount totaling $7,800.000; some 50 Rally scholarships totaling $25,000 were being issued; and right at 1,050 State Student Incentive Grants totaling $560,000 per year were in effect. Then, suddenly, the Commission was dissolved and all its programs placed into the hands of a new Governor's Special Commission on Educational Services -- a more powerful Commission than the old. The old Commission had fallen victim to a major reorganization of state governmental agencies, but it had served Louisiana well.

Now in 1978, all state student financial aid programs, including the T. H. Harris scholarships which have grown to over a $400,000 per year program, have been brought together under

the control of the new Governor's Special Commission on Education Services. There is much promise for the future. The Commission is powerful and should have the political clout necessary to procure adequate funding for all of its programs. Louisiana now has the mechanism to become a front-runner in the field of state student financial aid. The time is ripe for new ideas that have public appeal.

B. Tuition and Fees

In 1977, the Louisiana Legislature established a program to promote continuing education for elementary and secondary teachers. The intent of the program was to improve the quality of elementary and secondary education in Louisiana. As an incentive to encourage the teachers to participate, tuition was to be paid by the state. Because of this program, a rather narrow definition of tuition has recently evolved. Tuition is that portion of the student's fees that goes toward the educational and general expenditures of the university. Generally, items like diploma fees, yearbook fees, athletic fees, student health fees, etc., are not included in the definition of tuition. Room and board are not considered as fees, and they have historically been auxilliary enterprises in the public institutions of Louisiana. This means charges are established to cover the operating costs of the housing and food service programs. Income is expected to balance the cost of operation. There has been no attempt to coordinate charges for room and board with the other fees collected from students. In general, charges

for room and board are established by the business officers of Louisiana institutions. The funds collected by these auxiliary enterprises do not contribute toward the instructional costs of the institution. Because charges for room and board have not been usable to pay faculty salaries and other instructional costs, charges for these items have been increased only as the cost of food, food service workers, utilities, etc., have increased. Generally, the increases for room and board have occurred on a yearly basis and have amounted to approximately 5% per year for the past seven years. Tuition and required fees, on the other hand, have not been increased on a yearly basis, but approximately every two to three years. These increases in tuition have been determined on the basis of what is required to balance the instructional budgets of the institution. To gain public and student acceptance, the increase in tuition fees has been tied to the need to increase faculty salaries. Typically, one step increase in fees has amounted to a 20-25% increase. Throughout the history of public higher education in Louisiana, the state has attempted to keep tuition very low. It is generally believed that low tuition is the best way to provide access -- therefore, tuition is regarded by most institutions as the last resort as source of income to balance its budget. In view of the state's philosophy toward the cost of education, Louisiana ranks as one of the lowest cost states for higher education, and the cost varies very little between public institutions. Currently, yearly tuition costs range from about $300 per year in the public two-year institutions to $500 per year in the four-year universities.

C. Coordination of Student Aid Programs

1. Coordination of State Financial Aid with Federal Financial Aid

In 1976, the Board of Regents contracted with the American College Testing Program to study financial aid in Louisiana. The results of this study are included as Appendix A. The purposes of the study were (1) to assess the nature and extent of financial aid resources for current and future Louisiana undergraduate students; (2) to assess the nature and extent of the financial need of current and future Louisiana undergraduate students; and (3) to attempt to draw some conclusions from the data and to make some recommendations with regard to planning for financial needs of current and future Louisiana undergraduate students. The main finding of this study was the need for better coordination between state and federal financial aid programs. To date, there has been very little effort made to provide for the recommended coordination. As a result, a great deal of overlap still exists with the state programs serving the same student population as the federal programs. A case in point is Louisiana's low level of participation in the SSIG program. It is here that the state could channel significant funds to a different segment of the income distribution. For example, in 1977-78, only 175 of 1,597, or 11%, of the SSIG awards were made to students whose family income was above $15,000. Public institutions have difficulty finding students who qualify for the SSIG. There is strong evidence that the majority of these grants are going to the same category of

students receiving BEOG and SEOG grants. It is estimated that with more funding and better coordination the state could have awarded 4,050 more grants during 1976-77, and 1977-78, totaling almost $2-million. As the program now exists, approximately $400,000 per year in federal funds are being returned to the federal government for reallocation to other states. Currently, the Governor's Special Commission for Education Services is working with the state's financial aid officers to improve coordination between the state and federal programs. The Board of Regents has recommended an increase in tuition to 25% of the educational and general expense budgets accompanied by the development of a well-balanced financial aid program. Even though the state has recognized the need for coordination between the state and federal aid programs, and the Board of Regents has recommended an increase in tuition which will require more financial aid for students, no progress has been made toward coordination. In the text that follows, it will be shown that institutional financial aid is apt to become an issue in Louisiana in the very near future. When the issue becomes an emotional one, there will be a strong driving force to promote the much-needed coordination.

2. Coordination of Charges to Students with Financial Aid Programs

There has been no attempt on the part of public institutions to optimize the relationship between student fees and financial aid programs. That is, there have been no increases in fees with the idea that the fee increase will be passed on

to state and federal financial aid programs. As stated previously, fees at public institutions have been increased only when it is absolutely necessary to gain a balanced budget. Some evidence exists which indirectly indicates that private institutions have coordinated their tuition charges with existing federal and state student aid programs. For example, the private institutions are receiving 35% and 43%, respectively, of the SEOG and CWSP funds for Louisiana, while they have only 14% of the students. There is also evidence that proprietary schools have increased their fees to gain additional income through federal financial aid programs. While the extent of this coordination is not totally known, it appears to have taken place in token amounts. The tuition charges by private institutions range from approximately $1,000 per year up to about $4,000 per year in Louisiana; therefore, most of the private institutions have tuition structures that far exceed the program and individual student limitations of the BEOG and SEOG programs. Increases in the current limitations are essential if the private institutions are to hold the number of middle income students they need in order to stay financially solvent in the years to come.

3. Coordination of Institutional Aid Programs with State and Federal Programs

Beginning with the establishment of the Louisiana Higher Education Assistance Commission in 1964, policies regarding student financial aid programs administered by the Commission for the state have applied equally to the public and

private institutions of higher education. In view of this policy and the preceding statements that there has been little coordination of the state with federal programs and little coordination of fee structures with existing aid programs, it would appear no coordination exists in any sector of higher education. However, Louisiana institutions have considerable student aid in the form of fee exemptions, scholarships, and campus employment from state funds. The more knowledgeable financial aid officers have coordinated to a great extent the use of institutional funds with the use of federal and state funds. In fact, just about all coordination within Louisiana has been done by the institutional financial aid officers.

If the financial aid officer wisely selects the components of financial aid programs for individual students, both the total funds and the number of students served can be amplified. Overawarding can also be prevented when all sources of aid are known. In the case of the T. H. Harris Scholarships, these are issued without regard to how much other aid the recipients have been awarded. Thus, these scholarships are apt to create overaward situations, which are left entirely to the institutional financial aid officer to make required adjustments.

One area relating to the coordination that has worked well in controlling guaranteed student loans is that from the first, Louisiana has insisted that any loan amount recommended for a full academic year for a particular student had to be dispersed in two equal payments, and the checks for the student had to be dispersed in two equal payments and sent

directly to the institutional student financial aid officer for delivery to the student when that student enrolled each term. Had such provisions been originally incorporated into the federally insured student loan program, much fraud and abuse would have been automatically eliminated. Unfortunately, this type of control does leave something to be desired as far as the delivery system is concerned. Lenders consistently send schools the students' checks after registration fees are due to be paid, thus creating all sorts of trauma at registration time, both for students and financial aid officers.

Coordination between the federal and state aspects of guaranteed student loans has also broken down in one elementary but quite vital spot -- the application form. Louisiana has just never been able to put together a simple, concise form that met both federal and state requirements; consequently, a student applying for a Louisiana guaranteed student loan for a school year finds that he is requested to complete four different documents and in addition he is asked to attach a transcript of his academic record. Clearly, coordination in making applications and in determining eligibility is much needed in Louisiana. This was one of the major recommendations of the study conducted by the American College Testing Program.

D. Available Resources vs Need

In the study based on the 1975-76 school year, it was determined that when only needy students who actually apply for aid are considered, there are sufficient resources in general

to meet this need; however, this was on a statewide level. When different types of institutions are considered, it was determined that insufficient aid was available at the 2-year public institutions and the 4-year private institutions to meet the need for students who applied at those institutions. This observation may also be true of hospital schools of nursing. The deficit was determined to be slight in the case of 2-year public colleges and sizable for 4-year private colleges and universities. This latter also included proprietary schools. When total potential needy students are considered; namely, all students who might have enrolled if there were sufficient aid available, there is a general deficit of $12-million in aid and resources to meet the need. The breakdown of these costs is shown in Table I. While this is a relatively modest amount in light of the total, it has important implications for individual students, especially those who wish to attend institutions with fund deficits.

The relative size of the state student financial aid program is somewhat restricted as compared to most other state programs which have been in existence for comparable periods of time. This is also true for Louisiana State Grant and Loan Programs. These small state programs, combined with the failures to qualify due to specific program criteria, mean that funds are not delivered to certain specific needy students in given situations. In addition, Louisiana postsecondary institutions do not have the staff and resources for proper administration of financial aid programs. All factors combined, many

TABLE I

TOTAL UNDERGRADUATE RESOURCES IN RELATION TO TOTAL COSTS

ESTIMATED AVERAGE PARENTAL CONTRIBUTION	$ 600
ESTIMATED STUDENT CONTRIBUTION	$ 600
ESTIMATED NUMBER DEPENDENT UNDERGRADUATE STUDENTS	100,216
ESTIMATED TOTAL FAMILY CONTRIBUTION	$ 120,259,200
TOTAL AID RESOURCES	$ 133,536,011
ESTIMATED SELF-SUPPORTING STUDENT CONTRIBUTION	$ 1,750
ESTIMATED TOTAL SELF-SUPPORTING STUDENTS	31,530
ESTIMATED TOTAL SELF-SUPPORTING STUDENT CONTRIBUTION	$ 55,177,500
TOTAL ALL RESOURCES	$ 308,972,711
TOTAL UNDERGRADUATE STUDENT COSTS	$ 321,104,400
DIFFERENCE	$ -12,131,689
PER STUDENT DEFICIT	$ 92

students do not obtain assistance in systematic financial planning, and as a result they do not believe that they can obtain the funds to support their college studies. This is probably a big factor contributing to the low percentage of high school graduates who attend college in Louisiana.

It is important to note that in drawing the above conclusions, much of the information was collected from the 1976-76 and the 1976-77 academic year. Several events have occurred since that time which would impact on the conclusions. In particular, there has been substantial growth in the BEOG program and a few other federally supported financial aid programs; however, it is generally considered that these changes have not nullified the conclusions but perhaps moderated the significance.

E. Access and Choice

Louisiana has always championed ready access to public colleges and universities. All undergraduate public schools open their doors to any and all Louisiana high school graduates. Also, fees charged to Louisiana students are among the lowest in the country. Again, most of Louisiana schools participate in the various federal and state student aid programs; however, there is no state policy whereby a certain state program is set up to assure a student access to a higher education. Rather, the assumption is that all programs exist primarily for that purpose. In regard to the term "eligible institutions," there is generally no distinction between the federal and state

definitions, although for one state program, the T. H. Harris Scholarships, only public colleges and universities are eligible to participate.

In the opinion of the writer, management of student financial aid programs has become an issue of life-and-death proportions for institutions of higher education. Within the past few years, a pattern appears to be emerging which indicates that some institutions, because of good-to-excellent management of their student aid program, can anticipate continued enrollment growth into the future. Other institutions may very well be observing enrollment declines simply because they have not managed their financial aid programs well, and as a result, the amount of institutional aid available is decreasing in a relative sense if not in an absolute sense. This, combined with cost variations, is providing students with institutional choice as opposed to access to an institution of higher education. In some cases, available institutional aid may be encouraging students not to attend a low-cost institution, but to attend a higher cost institution simply because the students qualify for more aid and more financial aid may be available. As an example, the point has been made that the 2-year institutions seem to have a lack of institutional aid. This, combined with the fact that they have low programatic costs, means that a student may not qualify, or if they do qualify, may not be fully funded at one of the 2-year institutions. On the other hand, at a 4-year institution having dormitories and slightly higher fees, a student may well both qualify and find available resources to

attend the 4-year institution. Thus, it is possible for a student to leave home, live in a dormitory, receive board and other educational costs with less out-of-pocket expenses than would have been occurred had the student attended a 2-year institution close to home.

When the individual institutions begin to realize that a lack of institutional aid is causing their enrollment to decline, and hence the level of state funding to decline, it is very likely that the institutions will push hard for equalizing institutional aid within Louisiana. In fact, even in 1975-76, it was clear that steps should be taken to increase student aid at certain institutions if those institutions were to maintain their enrollments into the future. As yet, few institutions realize the very direct connection between their enrollments and available institutional aid. As soon as this relationship becomes understood, there will be grave concern over the lack of balance between aid available at individual institutions.

Since the author could not obtain agreement between financial aid information being provided by CEEB and information collected from individual institutions in Louisiana for 1976, the profile of institutional aid by category at each institution was obtained. This information is included in Table II, and may be useful to CEEB researchers in determining whose data is correct. Since variations do occur, it is necessary to cite the source. Henceforth, in this document, the source of financial aid information will be noted. For the most part, the aid analysis has been derived from three sources,

TABLE II

Student Aid Funds & Number of Awards by Program, 1976-77

Institution (Undergraduate Enrollment)	BEOG	SEOG	SSIG	CWSP	NDSL	Campus Empl.	Scholarship
	Amount						
	Students						
I. Trustees System:							
Delgado College	1,819,367	12,650	62,628	113,355	34,135	34,234	23,706
9,854	3,267	32	164	190	81	135	167
Louisiana Tech. University	1,360,302	122,610	32,042	457,384	765,037	611,527	850,000
8,044	1,799	393	112	918	1,100	850	1,275
McNeese State University	924,722	69,534	10,760	293,782	107,088	179,211	164,276
4,755	1,288	130	33	582	195	304	621
Nichols State University	811,725	10,981	2,500	251,493	50,775	218,473	169,283
5,585	1,239	15	5	491	85	305	482
Northeast La. University	1,900,447	135,175	34,006	847,229	366,750	228,316	223,719
8,086	2,704	584	75	1,801	818	419	1,350
Northwestern St. University	1,099,210	36,867	48,941	218,901	85,651	122,604	243,718
4,673	1,521	106	111	579	172	200	671
Southeastern La. University	1,147,052	39,550	22,749	277,241	230,803	261,410	172,694
5,908	1,637	80	53	558	402	1,111	959
Univ. of Southwestern La.	2,083,504	171,904	46,721	729,956	519,635	60,000	118,872
11,838	3,007	400	116	1,284	793	166	562
Grambling State University	2,837,991	130,420	36,370	831,672	162,646	43,713	432,487
3,812	3,178	258	129	1,360	311	235	798

Continued

Table II (Continued)	BEOG	SEOG	SSIG	CWSP	NDSL	Campus Empl.	Scholarship
II. LSU System:							
LSU-Baton Rouge	1,523,524	223,480	56,950	656,540	1,473,759	2,434,470	1,108,202
19,588	2,145	677	142	1,047	1,524	4,362	3,389
LSU-Shreveport	203,584	14,121	6,664	64,382	39,850	47,074	43,480
3,095	333	41	19	108	50	85	193
University of New Orleans	2,108,775	124,421	28,303	621,802	418,337	395,234	377,030
12,304	3,079	160	70	700	501	412	1,177
Medical Center	57,787	12,200	0	6,982	39,564	70,338	19,882
572	87	24	0	16	56	N/A	98
LSU-Eunice	160,972	1,750	5,458	27,558	14,760	30,595	26,200
992	289	11	13	95	23	104	127
LSU-Alexandria	225,110	3,581	6,064	30,212	8,560	21,959	15,500
1,404	384	11	16	105	20	93	85
III. Southern Univ. System							
SU-Baton Rouge	4,661,434	354,408	60,472	1,031,445	193,046	356,361	144,089
7,835	5,904	957	152	1,059	407	390	278
SU-New Orleans	1,465,880	11,289	1,224	205,536	4,288	25,509	80,000
3,300	2,206	41	4	333	12	45	80
SU-Shreveport	530,552	44,673	0	208,211	48,971	0	32,846
949	820	216	0	466	156	0	101

Continued

TABLE II (Continued)	BEOG	SEOG	SSIG	CWSP	NDSL	Campus Empl.	Scholarship
IV. Private Institutions							
Centenary College	122,784	16,420	2,650	13,891	38,530	54,950	357,924
846	133	40	6	33	57	167	364
Dillard University	1,061,139	175,953	9,434	209,763	287,088	17,419	246,136
1,186	806	411	26	330	524	35	256
Louisiana College	256,421	25,230	3,510	90,328	132,491	41,453	154,119
1,316	270	72	8	181	199	120	825
Loyola University	348,708	39,011	8,610	198,653	434,025	54,000	450,000
4,500	359	75	24	307	499	60	500
Our Lady of Holy Cross	85,244	4,996	3,400	11,444	N/A	557	18,278
860	119	13	10	21	N/A	3	48
St. Mary's Dominican	82,839	17,484	3,750	17,704	81,385	4,153	94,875
610	83	43	11	43	74	31	110
Tulane University	298,080	214,724	55,800	362,089	1,837,258	297,002	4,503,279
5,662	346	446	122	623	1,277	800	2,560
Xavier University	1,254,559	421,640	2,800	888,342	446,267	0	138,585
1,901	1,181	1,057	12	1,341	1,341	0	N/A

Source: Survey of Institutions, James Patin

surveys from individual institutions, the study of the American College Testing Program, and the data submitted by CEEB for Louisiana for the years 1972 and 1976.

If one carries the analysis of available financial aid a step further than total funding at the state, federal, and institutional levels, and considers aid available across income categories, it is very clear from all data sources that students from middle income families are not receiving sufficient financial aid. The most needy students have greater access and choice than middle income students. Clearly, within Louisiana, some effort needs to be made to shift financial aid into the middle income categories. Currently, the most needy students can obtain adequate financial assistance at some institution within the state; however, it is also clear that students from middle income families may not be able to obtain adequate financial assistance at any institution within the state.

F. Criteria for Awards; Needs vs Merit

Within the State of Louisiana, in order to qualify for an award based on financial need the student must complete a document similar to the family financial statement. For awards based on need, the amount of need is by far the most important factor. Strong financial need is the primary qualifying factor for State Student Incentive Grants, and a more moderate need is a primary qualifying factor for State Guaranteed Student Loans. As a token toward merit, students are required to maintain a C average while in college in order to continue to qualify for

for both these programs. The T. H. Harris Scholarships use merit as the primary criterion. This means that a B or higher academic average as well as consideration of the applicant's composite ACT score is required. Literary rally scholarships are also merit-based, and one wins such an award only by being the top scorer in the state in a particular Literary Rally event. In view of these facts, within Louisiana there is little confusion between programs based on merit and programs based on need. However, this is probably the result of having large programs which are need-based, and rather modest programs based on merit. What little monies are dedicated to support programs based on merit are clearly kept separate from programs based on financial need.

Overawarding is only an issue with the institutional financial aid officers, but with them it is most definitely one tremendous issue. In general, financial aid officers are attempting to coordinate the amount of the award very closely with need so that they can spread the available funding as far as possible. For example, how to establish award amounts for independent students has always been a major problem in financial aid circles. Indeed, how to even define an independent student can be very frustrating. Once he is identified, then there is a philosophical decision to make. Should a single independent student be allowed greater living costs than a single dependent student? What sort of student expense budget should a school allow an independent student who has a spouse and children? And, should the school endeavor to provide financial aid to

meet the financial needs of that student and his entire family? What should the institution attempt to do in meeting the financial needs of an independent student who has children but no spouse? If a school has limited financial aid resources, how can that school reasonably be expected to provide funds for an independent student and his entire family when the same amount of aid might allow two or more dependent students to enroll? It is difficult to be objective and fair in making such decisions, and as more older students continue to enroll for post-secondary academic work, concerns about providing aid for independent students become even more acute. Right now, each financial aid officer within Louisiana is attempting to solve these problems at his or her level. Thus, the question of over-awarding is in many ways a relative question, except when it comes to the case where the institution will be required to return monies to the federal or state government. The terminology in Louisiana means awarding a student a total financial aid package in excess of his or her cost of education. However, in the minds of many people, overawarding would mean simply giving one student a great deal of support because his costs are higher, and yet giving a very similar student considerably less support. The case of the independent student is perhaps the best example by which to demonstrate the rather arbitrary way in which a student financial aid officer could, on his own, decide that a student was receiving "too much money."

G. Funding by Type of Institution and Program

According to a survey made by the Louisiana Board of Regents in 1976-77, students at private institutions received $21,361,945 in financial aid funds in Louisiana, and students in public institutions received $69,054,866 (see Table III for details). Students in the private institutions comprised 14% of the total student population and received 24% of the aid awarded, whereas students in the public institutions comprised 86% of the student population and received 76% of the aid awarded. Using averages, students enrolled in private institutions obtained about twice the amount of money per student as students enrolled in public institutions. At first blush, it would seem logical for this to be true because of the higher costs associated with the private institutions; however, data supplied by CEEB shows that students in the private institutions generally come from the higher income families, namely, families that are more able to afford a portion of the cost of an education. Thus, it is not clear that the aid received in private institutions is in line or out of line relative to aid received in public institutions. To resolve this question would require a much more detailed study of the true need for students to attend the private institutions. Based on what little data is available, namely, the ACT study, the CEEB data, and the surveys of institutions within Louisiana, it would appear that the private institutions do not have sufficient institutional aid to meet the needs of their students in relation to the higher costs.

Financial Aid to Louisiana Students: Fiscal Year, 1976-77

Fund Programs and Recipients				Funding Source		
Program	Public	Private	Total	Federal	State	Private
BEOG	$24,921,928	$3,580,887	$28,502,815	$28,502,815	--	--
SEOG	1,519,614	819,154	2,338,768	2,338,768	--	--
SSIG	461,852	93,154	555,006	277,503	230,926	46,577
CWSP	6,852,029	1,808,547	8,660,576	6,928,461	1,370,406	361,709
NDSL	4,370,609	3,273,411	7,644,020	6,794,685	485,623	363,712
NDSL Loans	518,900	272,963	791,863	703,878	57,656	30,329
NDSL Scholar.	34,175	23,214	57,389	57,389	--	--
Nursing Loans	282,519	27,093	309,612	275,212	31,391	3,010
Nursing Schol.	106,827	13,079	119,906	119,906	--	--
LHEAC & FISL	4,525,049	1,783,254	6,308,303	6,308,303	--	--
Institt. Loans	546,414	85,050	631,464	--	546,414	85,050
Campus Employ.	5,141,028	487,032	5,628,060	--	5,141,028	487,032
Scholar., Fee Exemptions	4,245,184	5,965,696	10,210,880	--	4,245,184	5,965,696
Athletic Grants-in-Aid	2,462,914	1,142,852	3,605,766	--	2,462,914	1,142,858
Grad. Asst.	6,023,275	1,654,950	7,678,225	Source Varies		
LEEP	118,222	236,224	354,446	354,446	--	--
Other Programs	6,924,327	95,385	7,019,712	Source Varies		
Total	$69,054,866	$21,361,945	$90,416,811			

Source: Board of Regents' Questionnaire on Financial Aid, Fiscal Year 1976-77

In Table 11, the amount of financial assistance and number of awards by program are given for each institution of higher education for the period July 1, 1976 to June 30, 1977. There are three general categories of award. These are:

1. Portable Federal Funds -- Since BEOG funds are portable, the number of awards and total funding at a given institution tend to reflect the economic stratum of the student body. BEOG funds and awards are high at the predominately black institutions and those institutions located in economically deprived areas of the state. At a few institutions (for example, Tulane) the tuition cost is so high that most students who qualify for BEOG grants can not afford the costs over and above the grant. In these institutions, the number of awards and total funding is very low. All other factors being equal, the other institutions have approximately the same number of BEOG awards and the same level of funding because costs are fairly uniform over the various public institutions.

2. Institutional Federal and State Funds -- The SEOG, SSIG, CWSP, and NDSL funding varies extensively from institution to institution. The average award in this category varies from approximately $300 at the least well-funded institution to approximately $700 at the higher-funded institutions. The availability of these funds is believed to have a substantial impact on enrollment trends in the state.

3. Institutional Funds -- Many institutions have recognized the need to establish extensive student employment and scholarship programs to assist students from higher income

families. These funds also extend and amplify the aid in category 2 for certain types of students and awards.

The private schools have not allocated much in the area of student employment; however, they do have substantial scholarship programs which, in some cases, reflect coordination of their fee structures with student financial aid programs. In contrast, the public colleges and universities receive large sums of state appropriated funds to operate institutional student aid programs. These funds come down via institutional budgetary requests and in the form of general revenue. Types of institutional student aid programs funded in this manner are:

1. Institutional student employment, which in 1976-77 totaled $5,141,028, or 7% of the total aid awarded at public institutions.

2. Institutional scholarships and fee exemptions, which in 1976-77 totaled $4,245,184, or 6% of the total aid awarded at public institutions.

3. Athletic grants-in-aid, which in 1976-77 totaled $2,462,914, or 4% of the total aid awarded at public institutions (not included in Table II).

From the preceding, one observes that approximately 17% of the aid awarded by public institutions is actually appropriated by the state itself. This represents quite a significant "state" student aid program in itself. In fact, in 1976-77, this type of state student financial aid totaled $11,849,126, whereas the state-controlled student aid programs totaled only $7,263,309.

Clearly, student financial aid has become a factor of major importance to the fiscal well-being of institutions of higher education. In view of this fact, institutions should be giving full consideration to available student financial aid in the planning and budgeting process. The long-term effect of this approach would be to produce a balanced financial aid program in relation to the needs of students at each institution. The existence of a systematic approach would show up in studies of financial aid by program, student need, institutional charges, and numbers of students. There would also be a great awareness of the impacts of financial aid by high level administrators. The writer could find no consistent patterns in financial aid programs from one institution to another. In addition, very few high level administrators seem to be aware of the present and future impact of student aid programs. A few isolated cases exist that indicate limited institutional planning to optimize financial aid programs in relation to student enrollments. Tulane and LSU-Baton Rouge seem to be the most active institutions.

Based on the failure to find correlations involving tuition, total funding, number of awards, etc., for similar institutions and the lack of awareness regarding financial aid, it appears that institutions in Louisiana have backed into the era of student financial aid. What exists at each institution is happenstance and significant variations in level of funding exist between institutions. This unequal standing regarding available financial aid combined with impending decreases in

high school graduates, especially in certain areas of the state, means that several institutions are in extremely poor position to maintain their enrollments into the future. Other institutions appear to be in a much better position to maintain their enrollments and even increase the portion of high school graduates attending these institutions.

When financial aid is analyzed by type of institution, the results have little meaning if averages are quoted. Some private institutions have very small programs, others quite large. The same variation occurs within the four-year public institutions; however, all three two-year public institutions have very limited financial aid programs.

Earlier in the summer the past enrollment history for all institutions was analyzed and projections were tabulated. While this information is included in the section on governance, it is mentioned here because the writer attempted to determine if available financial aid had or would cause enrollment shifts. The conclusion reached was that current financial aid patterns would cause shifts in enrollment within three years. However, the impact of financial aid on enrollments appears to have arrived early. While enrollment counts are not yet official, it appears that the total undergraduate enrollment in Louisiana has decreased, and significant decreases in the enrollment of new freshman students are being reported. On an institutional basis, enrollments seem to have decreased at six of the nine trustee's institutions (Delgado, Grambling, McNeese, Northeast, Northwestern, and Southwestern), at all three Southern institutions

and three of the five LSU institutions (UNO, Shreveport, and Alexandria). LSU-Baton Rouge, and Louisiana Tech have substantial enrollment increases, while moderate increases were recorded by the other institutions. Thus, it appears that enrollment shifts in combination with an overall enrollment decline are factors that must be reckoned with in Louisiana.

These changes in enrollment patterns will place great pressure on the Board of Regents. Higher education in Louisiana is funded by a rather strict appropriations formula. Thus, the enrollment declines will impact the income of all institutions. The Legislature is apt to expect a decrease in required appropriations for higher education. Yet, the Board of Regents has unofficially followed a policy of preserving all existing institutions. How to do this when some institutions are growing and require greater appropriations and others are decreasing in size yet have fixed operating costs and, at the same time, maintain a formula approach toward funding is a difficult question. Equity in funding will indeed be a controversial topic for the next several years.

H. Financial Aid and Institutional Expenditures

In establishing eligibility for financial aid, institutions in Louisiana take into account all costs of attendance, to include amounts for books, supplies, room and board, tuition, transportation, and other required cost elements. No studies have been made as to the portion of financial aid funds that go to the various cost elements or to the general fund of each

institution. For students attending public institutions, tuition and required fees amount to 15-20% of their total educational cost. Thus, it is reasonable to assume financial aid funds are expended in the same portions as costs for the average student. One then concludes that 15-20% of the financial aid funds go to the E and G expenditures of public institutions. For students attending private institutions, tuition costs vary from 33-67% of the total educational cost. Again, it is expected that the same portions of financial aid would go to the E and G expenditures of the private institutions. For the state as a whole, approximately 22% of the total financial aid goes toward E and G expenditures. It is not possible to compute the portions of financial aid that go to other current-fund revenues of the institutions.

I. Miscellaneous

1. Continuation of Awards and Retention

For the Louisiana State Student Incentive Grant Program, present funding for initial year awards is just about the same as funding for continuing year awards ($291,668 as opposed to $308,332). This, though, is only because the program is not fully funded, and the thinking is that funding should first be provided to continuing students before making grants to new students eligible for the program. Actually, statistics relative to the SSIG program indicate that only 55% of the students who receive initial awards are eligible for continuing awards. This, too, could be misleading if the figure is taken

to be an indicator of institutional retention of students, for the SSIG program demands a certain grade-point average for renewal that is higher than that required for retention in most Louisiana schools. Also there are always a number of graduating seniors involved in such grants which, of course, should not reflect on retention.

If one were to make an educated guess on the basis of continuation grants for the SSIG program, 70% would seem to be a likely annual retention rate for students in Louisiana schools (this percentage would make considerations for graduating seniors as well as students who were retained in school even though their academic records made them ineligible for grants).

2. Portability of Awards

The only state award that is truly portable at this time is the State Literary Rally Scholarship. A Louisiana student who wins one of these may bring his certificate to any state institution of his choice. The institution then certifies that the recipient is a full-time student and sends this on to the Governor's Special Commission on Education Services for payment.

There are, though, other types of state awards that are passed into law for the public schools, and the public institutions must make these available to any students who qualify. So, in a sense, these are "portable" -- at least for the student -- because he can claim his award at any Louisiana public institution of his choice. But because such awards are charged directly to the institution's general revenue fund, the schools

hardly look upon them as being portable in the sense of bringing extra income to the school.

Both the State Student Incentive Grant Program and the state's T. H. Harris Scholarships are distributed by allocating specific amounts to the various schools -- usually on the basis of some formula relating to student population.

3. Shift of Base Year

Shifting to a prior base year would have a very definite effect on the total financial aid program in the state. The major advantage would be a speed-up in the delivery system of the Basic Educational Opportunity Grants Program so that a heavy majority of eligible students would have their grants available at the start of the school year. This alone would lead to better financial planning on the part of students and increase the portion of students attending college. Due to the moderate costs of attending Louisiana institutions, a Basic Grant and a reasonable amount of self-help are all that many students need to finance their education.

The major problem with the shift to a new base year is credibility. Students and parents already have a difficult time understanding why we make 1978-79 aid awards based primarily upon 1977 federal income tax return information. How will they see any logic in making 1979-80 financial aid awards based again upon 1977 federal income tax returns? Or 1980-81 awards based on 1978 information?

J. Summary

The major goal of student financial assistance in Louisiana has, for many decades, been to minimize the financial barriers to college attendance. Historically, the approach toward obtaining the stated goal has been to keep the costs of attending college down by establishing low tuition and providing a regional university within commuting distance of all students (see map, page 60, Appendix B). This has been a most successful approach to providing access for students in Louisiana. It not only recognizes the financial limitations of students but also the numerous personal constraints that prevent many students from leaving home to attend college. The program is expensive because public funds must subsidize the low tuition and there is built-in duplication of educational programs. To replace the lost revenues resulting from low tuition, the state must appropriate an additional $26,000,000 per year in public funds relative to other states in the southeast (Alabama, Florida, Georgia, and Mississippi). While no cost estimates are available on program duplication, these costs are substantial. This form of student assistance is well understood by those whom it is intended to benefit and easily managed. There are no forms to complete, family contributions to compute, programs to manage, or checks to write. The only problem is this form of student aid is completely out of step with the rapidly growing federal programs and leaves the state in a relatively poor position to collect federal monies in support of operating its public colleges and universities. Low cost means that each student

qualifies for less federal assistance. The economic implications of this conflict between the state and federal approach toward access are of major proportions for the state.

In the minds of most Legislators and public officials, the state is indirectly providing massive student aid programs, and as a result, there has been little funding for the traditional programs that result in direct awards to students. The state programs that have developed are indeed modest. No better example of the state's reluctance to fund more programs than the fact that matching funds for the quasi-revenue sharing SSIG program are appropriated at 1/3 the level required for maximum benefit.

Although the programs are modest, when viewed from a state-only perspective they are good programs. However, the programs were developed independently of federal programs and serve the same populations. The state programs do not work at cross purposes to the federal program, they simply do not extend or supplement the massive federal programs.

Louisiana needs to reassess its philosophical approach toward meeting the goal of equal opportunity for higher education. Only then can the state be successful in an effort to systematically coordinate its programs with existing federal programs. The Governor's Special Commission for Educational Services is very much aware of the need for coordination and has the political clout necessary to promote change and procure funding for its programs. The Commission holds great promise for the future of student financial assistance in Louisiana.

As things now stand, much of the ultimate decision-making about who receives aid and in what amounts from the numerous sources rests with the financial aid officers at each institution. Even though it is tempting to establish fees that produce revenues in excess of cost, no effort has been made to solve mounting budgetary problems by this direct approach. In fact, most financial aid officers have been left to do their own planning, awarding, collecting, etc. Variations in quality of management, student enrollment patterns, and available institutional funds have resulted in a maldistribution of aid funds among different institutions. The original state objective of providing access has changed in large measure to one of choice and enrollments are shifting. Since appropriations are based on formula funding, presidents and business officers are very much aware that enrollments relate directly to budgets, furthermore, enrollments are influenced by the availability of financial assistance. This indirect relation between financial aid and budgets is uppermost in the minds of nearly all administrators. In fact, student recruitment is so intense that many view it as buying students. The problem is that many institutions have such poor institutional financial assistance programs that they cannot compete.

How to deal with the balance between access and choice should be a major policy issue within Louisiana over the next few years. The magnitude of the federal programs in relation to the educational costs within the state make this a most complex issue because the most needy students have choice. Students

from middle income families tend to be the ones who decide to attend the "local" regional universities. This inverted "ability to pay" is difficult for the parents and students to understand. So, the question becomes how can the state coordinate with programs that are already too liberal?

In theory, one can conceive of a number of schemes for optimum coordination. Ideally, within Louisiana the financial assistance program would be based on three elements:

1. A self-help component which students would be required to provide. This could be a centrally controlled student employment program whereby thousands of students would be placed in summer and/or academic year jobs in public and private agencies.

2. The BEOG Program.

3. A massive institutionally based SSIG Program.

These three components would provide a minimum resource guarantee to provide access to higher education. Beyond this, loans and family resources would provide choice in higher education.

Without coordination unique to Louisiana, it will be most difficult to preserve and enhance the quality of public education. Furthermore, it will be extremely difficult for certain private institutions to survive the pending decline in enrollments. The problem is how to get the federal government to establish programs unique to the needs of students and institutions within Louisiana.

III. Coordination and Governance (Note: This section includes material taken from the Master Plan with explanations of the underlying causes for the developments added to the text.)

A. Historical Development of Governance Structures

From the inception of the University of Louisiana in 1845 (now Tulane University), until the third decade of the twentieth century, each public institution of higher education had its own governing board whose membership was appointed by the State Board of Education. During the 1920's, reorganization of higher education was a priority issue, as evidenced by a constitutional provision restructuring institutional governance. The Louisiana Constitution of 1921 placed each public campus under one of two governing boards, either the State Board of Education or the Board of Supervisors of Louisiana State University. This governance structure was to remain relatively intact for over half a century, with all new institutions opening under the auspices of one of the two boards and some existing institutions being shifted from the Louisisna State University Board of Supervisors to the State Board of Education.

In 1939, the Governor and the President of LSU were convicted of federal crimes. These convictions, combined with other evidence of political involvement, created great concern about the autonomy of the State University and resulted in changes that have had lasting influence on the governance of higher education in Louisiana. A constitutional amendment passed in November, 1940, placed the LSU Board of Supervisors in the State Constitution and gave the Board great independence in managing the affairs of LSU. Subsequently, the Board

developed very specific by-laws and regulations setting forth the responsibilities and authority of the faculty, staff, administration, and board. Checks and balances were established to guide financial as well as academic management of the University. Over the years, fundamental concepts in governance of higher education evolved and had a major impact on restructuring governance during the 1974 Constitutional Convention.

The State Board of Education was made up of an elected membership and had responsibility for public elementary and secondary education, the vocational schools, and the state colleges. As a result of its broad and somewhat unrelated functions, the State Board could not work closely with the state colleges. In contrast, the LSU Board of Supervisors had only LSU-Baton Rouge and the Medical School to manage. The Board had the time to work in close harmony with the institution, providing excellent representation at state government levels. In this time period, individual institutions lobbied the Legislators and/or Governor for operating and capital outlay funds and public officials were not well informed about state and institutional needs. The Legislature, in an effort to resolve unanswered questions of coordination of resources, provided for a State Coordinating Council in 1948. However, funds were never appropriated to employ a director or staff, and the members of the Council ceased to meet in 1954. That same year, the Legislature recommended that the Coordinating Council be reinstated with stronger powers; this recommendation was not implemented.

In the period from 1928 to 1974, almost all political power relative to operating state government was held by the Governor of Louisiana. The Governors had great freedom and were most effective in getting desired legislation, appropriating funds, etc. All attempts to coordinate higher education were viewed by most Governors as attempts to dilute the authority of the Governor. Legislators from each region of the state were very supportive of institutions in their area and sponsored legislation or supported requests for their institution in every session. In return for supporting the Legislators' requests, the Governors could gain widespread support for their projects. Thus, higher education was very much a part of the normal political process, and this involvement hindered efforts to gain coordination.

In the decade of the sixties, when thirty-nine states had some type of state coordinating agency, Louisiana made attempts to create a unified governance structure. At that time, Louisiana's public institutions of higher education were still governed by either the State Board of Education or the Louisiana State University Board of Supervisors. In 1961, the two boards established by voluntary agreement a Coordinating Council for Public Higher Education in Louisiana, with membership equally distributed between the boards. The Council met twice, and never convened again. In 1965 and 1966, interest in coordination was renewed. Several organizations held conferences on coordination in 1965, and the Legislature treated it as a major issue in 1966. Three proposals were introduced in the Legislature;

all were defeated. The first would have created a powerful Board of Regents, the second would have provided a purely advisory body, and the third would have established an agency to coordinate through periodic master plans. Because the bills were defeated, the Louisiana State University Board, and the State Board of Education continued to function in their traditional capacities.

With the election of a new Governor in 1964, the first real support for coordination of higher education was obtained. Governor McKeithen was instrumental in removing the patronage system of student financial assistance (see Section II-A) as well as promoting a more systematic approach toward decision-making. As a result of his leadership, the Legislature, in 1968, authorized a constitutional amendment for the purpose of creating a statewide coordinating board to prevent "unnecessary duplication" in higher education. In November of 1968, the electorate of Louisiana voted in favor of this amendment, and the Louisiana Coordinating Council for Higher Education was implemented on April 3, 1969. Although the "essential functions" of the other two boards were maintained, no new degree programs could be instituted without Coordinating Council authority. In addition, the Council was empowered to study the feasibility of establishing new institutions, create a master plan for higher education, and establish an information system concerning public higher education in the state. It also had limited budgetary responsibilities such as recommending priorities for capital construction.

In 1972, Edwin Edwards was elected Governor on the basis of a campaign commitment to rewrite the State Constitution of 1921, and to reorganize state government. True to his campaign promise, a Constitutional Convention was called in 1973. The Governor was not only interested in coordinating higher education, but also in changing the governance structure of all education. Governance of higher education was by far the most emotional issue of the convention, as well as the voter approval process.

Two governance plans surfaced at the convention; one provided for a single board for all higher education, and the other a multiple board approach. Members of the Coordinating Council, the State Board of Education, Presidents of regional universities, and many Legislators favored the single board concept. The issue was an emotional one, with equal numbers of delegates on each side. After much debate in the convention, and powerful lobbying by the higher education community, the delegates elected to let the electorate decide. Voters were requested to vote for or against the constitution, and then choose between a single board or a multiple board alternate in the constitution. The Governor was concerned about getting voter approval of the constitution, and while he favored the single board concept, he made no attempt to sway voter opinion. The electorate of Louisiana voted in favor of the new constitution and the multiple board form of governance. Thus, governance of higher education changed from a disorganized political structure in 1966, to a highly organized centrally controlled

structure in 1975. This change has had a major impact on higher education which will be even more significant in the years to come. To understand past impact and the outlook for the future, it is necessary to understand the structure and dynamics of the governance system.

B. Current Governing Structure of Louisiana's Public Higher Education

The 1974 Constitution replaces the Coordinating Council, State Board of Education, and LSU Board of Supervisors with three management boards -- the Board of Supervisors of Louisiana State University, the Board of Supervisors of Southern University, and the Board of Trustees for State Colleges and Universities -- and one statewide planning and coordinating agency, the Board of Regents. These Boards were established by Article VIII of the 1974 Constitution of Louisiana, and were implemented by Act 313 of the 1975 Regular Session of the Louisiana Legislature. Both the constitution and the legislative act enlarged the powers of the Board of Regents beyond those of the Coordinating Council, as illustrated by the following excerpts from Article VIII.

> Section 5.(A) Creation: Functions. The Board of Regents is created as a body corporate. It shall plan, coordinate, and have budgetary responsibility for all public higher education and shall have other powers, duties, and responsibilities provided in this Section or by law.
>
> (D) Powers. The Board of Regents shall meet with the State Board of Elementary and Secondary Education at least twice a year to coordinate programs of public elementary, secondary, vocational-technical, career, and higher education. The Board of Regents shall have

the following powers, duties, and responsibilities relating to public institutions of higher education.

(1) To revise or eliminate an existing degree program, department of instruction, division, or similar subdivision.

(2) To approve, disapprove, or modify a proposed degree program, department of instruction, division, or similar subdivision.

(3) To study the need for and feasibility of any new institution of postsecondary education, including branches of institutions and conversion of two-year institutions to institutions offering longer courses of study. If the creation of a new institution, the addition of another management board, or the transfer of an existing institution from one board to another is proposed, the Board of Regents shall report its written findings and recommendations to the Legislature within one year. Only after the report is filed, or, after one year if no report is filed, may the Legislature take affirmative action on such a proposal, and then only by law enacted by two-thirds of the elected members of each house.

(4) To formulate and make timely revision of a master plan for higher education. As a minimum, the plan shall include a formula for equitable distribution of funds to the institutions of higher education.

(5) To require that every higher education board submit to it, at a time it specifies, an annual budget proposal for operational needs and for capital needs of each institution under the control of each board. The Board of Regents shall submit its budget recommendations for all institutions of higher education in the state. It shall recommend priorities for capital construction and improvements.

(E) Powers Not Vested. Powers of management over public institutions of higher education not specifically vested by this Section in the Board of Regents are reserved to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Board of Supervisors of Southern University and Agricultural and Mechanical College, the Board of Trustees for State Colleges and Universities, and any other such board created pursuant to this Article, as to the institutions under the control of each. (Constitution of the State of Louisiana, 1974, Article VIII, Section 5.)

Act 313 of the 1975 Regular Session of the Louisiana Legislature defines the relationship between the Board of Regents and the management boards as follows:

B. No college or university may institute a new degree program or department of instruction, division,

or similar subdivision without approval of the Board of Regents. Application to the Board of Regents for such a new program, department of instruction, division, or similar subdivision shall be made by the management board governing the college or university at which the program is to be instituted.

3131. Orders.

Orders of the Board of Regents issued pursuant to its powers as provided in Sections 3125 through 3129 shall be promulgated and issued to the appropriate management board for enforcement and implementation.

3132. Channels of Communication.

All requests by the Board of Regents for information and all other communications relative to the exercise of its powers shall be forwarded to the chairman of the appropriate management board, through its secretary, and each management board shall be responsible for providing within a reasonable time the information requested.

3133. Public Hearings; due process.

In exercising and fulfilling its powers, duties, and functions as specifically enumerated in Article VIII, Section 5(D), paragraphs (1) and (4) of the Constitution, the Board of Regents shall before adopting or issuing an order, rule, regulation, plan, policy, or recommendation, hold public hearings at which all students, faculty, staff, administrators, management boards and interested citizens may appear and present testimony. The Board of Regents shall accompany each such order, rule, regulation, plan, policy, and recommendation with written reasons therefor, explaining in detail the reasons for its actions. (Act 313, 1975 Regular Session, Louisiana Legislature.)

The Constitution and Act 313 make it clear that the Board of Regents has the authority to control from a central point all higher education in Louisiana. The extent to which the Regents remain a planning and coordinating board depends in large measure on their willingness to delegate certain decision making to the management boards and the institutions. Actions to date indicate the Regents will not delegate powers in the areas of budgets, program approval and review, and facilities.

In addition to restructuring the higher education system, the 1974 Constitution also created the State Board of Elementary and Secondary Education:

> Section 3.(A) Creation: Functions. The State Board of Elementary and Secondary Education is created as a body corporate. It shall supervise and control the public elementary and secondary schools, vocational-technical training, and special schools under its jurisdiction and shall have budgetary responsibility for all funds appropriated or allocated by the state for those schools, all as provided by law. The board shall have other powers, duties, and responsibilities as provided by this Constitution or by law, but shall have no control over the business affairs of a parish or city school board or the selection or removal of its officers and employees. (Constitution of the State of Louisiana, 1974, Article VIII, Section 3, paragraph A.)

To assure coordination of all aspects of the public education system, the Constitution further mandates that the Board of Elementary and Secondary Education and the Board of Regents meet together at least twice a year. One shared concern of the two boards is vocational-technical education. The State Board of Elementary and Secondary Education has "jurisdiction with respect to elementary and secondary education, vocational-technical and postsecondary vocational-technical education except in colleges and universities." (Act 274, 1975 Regular Session, Louisiana Legislature - emphasis added.) The Board of Regents is the State 1202 Commission, a Federal designation for broad policy planning for all postsecondary education. Any plan developed by the Board of Regents in its capacity as the 1202 Commission will affect vocational-technical programs at the postsecondary level which fall under the jurisdiction of the State Board of Elementary and Secondary Education. In this respect, cooperation and coordination between the two boards is crucial to the success of education in the State of Louisiana. For the most part, control of the state's vocational-technical

schools has been left to the Board of Elementary and Secondary Education. Some effort has been made to shift control to the Trustees and while no serious issues have developed, it appears that control of these schools as they proceed to build one- and two-year postsecondary programs will become an issue. Coordinated management will probably fail.

The independent institutions of higher education in Louisiana are governed by their own respective boards. It is the governance structure which really sets the independent sector apart from the public sector. All the institutions, independent and public, serve the interests of the citizens. In light of the facts that independent institutions receive certain tax exemptions from the state and most receive funds through the recent passage of a public aid bill to independent institutions by the Legislature, the independent sector is held accountable to the State of Louisiana.

Board Membership:

Regents - Consists of fifteen electors appointed by the Governor with consent of the Senate. At least one member, but no more than two, are appointed from each Congressional District.

Trustees - Consists of two members from each Congressional District plus one member from state-at-large. Appointed by Governor with consent of Senate.

Louisiana State University and Southern University Boards of Supervisors - Each board consists of two members from each Congressional District plus one member from the

state-at-large. Appointed by the Governor with consent of the Senate.

State Board of Elementary and Secondary Education - Consist of eight members elected from single member districts and three members appointed by the Governor from state-at-large with consent of the Senate.

C. Historical Development of Institutions, and Growth

Louisiana's current system of higher education consists of twenty-seven institutions - nineteen are in the public sector, while eight are in the private sector. Since an excellent account of the historical development of these institutions is given in the State Master Plan, no need exists to cover the topic again, and the reader is referred to page 4, Appendix B, for details. Consistent with the governance structure outlined in Section III.B, the public institutions are governed by three management boards: The Board of Trustees for State Colleges and Universities, the Louisiana State Board of Supervisors, and the Southern University Board of Supervisors. The public institutions controlled by each board are listed in Table IV, along with the private institutions.

The actual enrollments for these institutions over the period 1958 to 1976 is given in Table V, along with projected enrollments to 1990. The enrollment projections are based on the cohort survival technique and were considered low by those conducting the studies. During the period of expansion, enrollment increases averaged slightly over 6% per year; however,

TABLE IV

BOARD CONTROL OF PUBLIC AND PRIVATE INSTITUTIONS - LOUISIANA

Trustees: Institution-Location	LSU Supervisors: Institution-Location
1. Delgado Jr. College-New Orleans	1. LSU-Alexandria
2. La. Technical University-Ruston	2. LSU-Baton Rouge
3. U. Southwestern La.-Lafayette	3. LSU-Eunice
4. Southeastern La. Univ.-Hammond	4. LSU-Shreveport
5. Nichols State Univ.-Thibodaux	5. LSU Medical Center-New Orleans and Shreveport
6. Northwestern State Univ.-Natchitoches	6. University of New Orleans-New Orleans
7. Northeast La. University-Monroe	7. Center for Agriculture and Rural Development-Baton Rouge*
8. Grambling State Univ.-Grambling	*No student enrollment.
9. McNeese State Univ.-Lake Charles	

Southern Supervisors: Institution-Location	Private Sector: Institution-Location
1. Southern University-Baton Rouge	1. Centenary College-Shreveport
2. Southern University-New Orleans	2. Dillard University-New Orleans
3. Southern University-Shreveport	3. Louisiana College-Pineville
	4. Loyola University-New Orleans
	5. Our Lady of Holy Cross-New Orleans
	6. St. Mary's Dominican College-New Orleans
	7. Tulane University-New Orleans
	8. Xavier University-New Orleans

TABLE V

GROWTH (ACTUAL AND PROJECTED) OF LOUISIANA'S HIGHER EDUCATION SYSTEM

Institution	Actual					Estimated		
	1958	1961	1966	1971	1976	1980	1985	1990
I. Trustees System								
Delgado Jr. College	-(1)	-(1)	3,763	4,724	10,227	10,878	9,286	8,443
La. Tech University	3,309	3,928	7,219	8,135	8,823	10,240	9,414	8,839
U. of S.W. La.	4,492	5,421	8,402	10,364	12,899	14,277	12,784	11,646
Southeastern La. U.	1,712	2,577	5,137	5,790	6,972	8,291	7,811	7,571
Nicholls St. U.	855	1,187	3,186	5,330	6,271	7,746	6,765	6,200
Northwestern St. U.	2,662	3,246	5,156	6,268	6,426	7,193	6,421	5,857
Northeast La. U.	2,320	2,992	5,960	8,810	9,143	9,470	8,426	7,611
Grambling St. U.	2,590	2,758	3,844	3,913	4,047	4,846	4,892	5,018
McNeese St. U.	2,405	2,870	4,306	5,987	5,986	6,678	6,245	5,985
TOTALS	20,345	24,979	46,973	59,321	70,794	79,619	72,044	67,170
II. LSU System								
Alexandria	0	515	703	1,012	1,506	1,646	1,421	1,300
Baton Rouge	9,686	11,016	17,629	20,536	24,596	26,126	25,188	24,712
Eunice	0	0	0	482	992	1,070	918	839
Shreveport	0	0	0	1,686	3,095	3,218	2,888	2,665
Medical Center	556	563	668	1,074	2,253	2,500	2,750	3,000
U. of New Orleans	1,459	3,111	6,149	12,985	14,047	16,358	16,074	16,187
Ctr. for Agric.	0	0	0	0	0	0	0	0
TOTALS	11,701	15,205	25,149	37,775	46,489	50,918	49,239	48,703
III. So. System								
Baton Rouge	4,874	4,821	7,094	8,315	9,022	10,739	9,824	9,220
New Orleans	0	1,013	1,572	2,134	3,305	4,485	3,999	3,627
Shreveport	0	0	0	744	949	1,123	962	876
TOTALS	4,874	5,834	8,666	11,193	13,276	16,347	14,785	13,723

Continued

TABLE V - Continued

IV. Private Sector

Centenary College	762	824	985	924	910	1,062	1,098	1,149
Dillard Univ.	856	964	930	984	1,183	1,227	1,226	1,223
Louisiana College	974	1,083	1,221	949	1,278	1,483	1,342	1,231
Loyola University	2,157	2,598	3,352	4,883	4,500	5,783	5,630	5,547
Our Lady of Holy Cr.	-(1)	-(1)	-(1)	-(1)	689	2,824	2,749	2,670
St. Mary's	435	501	502	854	840	616	550	502
Tulane	6,825	6,954	7,609	7,813	9,284	9,220	9,561	9,901
Xavier	1,073	809	875	1,546	1,907	2,176	2,017	1,909
TOTALS	13,082	13,733	15,474	17,953	20,591	24,391	24,173	24,132
TOTALS ALL SYSTEMS	50,002	59,751	96,262	126,242	151,150	171,275	160,241	153,728
% Public	74	77	84	86	86	86	85	84
% Private	26	23	16	14	14	14	15	16

for the past few years, the increases have been in the range of 1 to 2%. Enrollments were expected to peak in 1981, and then slowly decline with no institutions showing large fluctuations over a short time period. The early undergraduate enrollment figures for 1978-79 indicate the total enrollment has decreased 1 to 2% from that in 1977-78. Furthermore, a few institutions have experienced significant growth and many have declined, some as much as 11% in one year. The institutions having undergraduate enrollment increases were:

1. Louisiana Technical University
2. Southeastern Louisiana University
3. Nichols State University
4. Louisiana State University-Baton Rouge
5. Louisiana State University-Eunice

The remaining public institutions had declines in undergraduate enrollments as well as in numbers of new freshmen. Delgado Junior College and Southern University at Shreveport experienced decreases of 10 to 11%. The decline in total enrollment, as well as the enrollment shifts, were totally unexpected and have generated considerable concern, especially for the campus administrators. Enrollments, if not a major issue themselves, will be the underlying reason for several issues during the coming year. In fact, some administrators may very well lose their positions if emotions run as high as some expect. The basis for concern is covered in Section III.E.

Only one institution, La. Technical University, of those located in central and north Louisiana, experienced an enrollment

increase. Generally, the northernmost three-fourths of the state is experiencing a decline in college-age students. Louisiana Tech enrolled more than their share of the students because of a relatively good academic image, strong statewide recruitment, and a substantial financial aid program. The remaining institutions experienced unexpected enrollment decreases. The other institutions that experienced enrollment increases draw students from urban populations that are increasing. LSU-Baton Rouge experienced an abnormally high, but expected, enrollment increase for the same reasons as did Louisiana Tech.

Enrollments for the private sector are not yet available; however, the writer is most interested in the data because it will be an early indicator of how the private sector will fare relative to the public sector in the enrollment shifts yet to come. An analysis of this important issue will be forwarded as soon as data becomes available.

It is now clear that the educational planners of the state must revise their projections of enrollments. Depending on how serious the enrollment shifts are viewed, the state may well attempt to regulate or influence statewide institutional enrollments. The only ones with the power to control or influence enrollments on a statewide basis are the Regents and/or the Legislature. It will be interesting to see what happens. Is the new governance structure equal to the task?

D. Political Considerations, Past and Present

During the decades of expansion in higher education, the Governor of Louisiana was the central and only decision-maker regarding the major aspects of higher education; to include budget increases, new institutions, new facilities, etc. State government, on the other hand, rarely questioned the internal operation of a campus and rarely attempted to control internal decision-making. The writer has had the experience of being called late at night to estimate the cost of a new building which was to be included on a last-minute basis in a capital outlay bill going through the Legislature. New institutions were created, and others expanded on the basis of regional requests without justification. The State Board of Education and the LSU Board of Supervisors engaged state government (Governor, Legislature) directly, and in many cases were requested by state government to support the creation of a new institution, etc. Namely, changes in higher education did not necessarily originate with the educational community. Individual Legislators generally went with educational administrators to gain various kinds of support for institutions in their districts. The Legislature as a whole voted on bills that included something for each institution. Those of us in education commonly referred to the bills as "watermelon bills" in recognition of their size and tendency to grow. While it is true these bills contained considerable fat, they also included many urgently needed projects or funds that could easily be justified. This was a period when education carried high credibility and

recognition, strong support relative to other government services, and great freedom. For the most part, the educational community was responsible and made legitimate requests of the state. If the governor favored education, then education enjoyed a period of progress, and vice versa.

Just prior to and during the period of transition in governance structure, unusually strong competition and regionalism developed within Louisiana. While educators recognized the need for coordination, they still competed vigorously for advantages relative to one another. This regionalism, state colleges versus LSU, or however the issues split, more than any other factor caused state government to move to a strong centrally controlled governance structure. Two Governors in back-to-back terms assumed a relatively low profile in educational matters, and were willing to let governance of higher education be settled through the deliberative process. During the term of the first, central coordination developed, and following that, strong central control was firmly established in the Constitution and state law. The educational community could not agree, and the lack of a concensus view resulted in what amounted to a state take-over of higher education.

Careful reading of the Constitution shows that, on the one hand the Governor and Legislature have delegated much power to the Regents, and on the other there has been a great loss in academic and institutional autonomy. Many view the current status as one in which authority has been spread more uniformly from the Governor down to faculty. In truth, virtually

all meaningful authority is held by the Regents. Because the current Governor appointed the members of the Board of Regents, and participated in the selection of the staff, he has considerable influence over the Regents. However, the next Governor will appoint very few members of the Regents during a four-year term, and it will be interesting to see if he/she can really influence higher education.

Already, some members of the Legislature are hostile because the Regents can effectively block what a group of Legislators want to do. For example, if the Legislators and local officials of a given district thought it would be desirable to create a community college, it could not be done until a study is made by the Regents and a recommendation made to the Legislature. At this stage, the most the Legislature can do is pass a resolution directing or requesting the Regents to make a needs assessment. Regents would conduct the study and most probably find that on a statewide scale the school could not be justified. As an example of a study of this kind, see Appendix C. Based on the report of the Regents, it would be very unlikely that a bill to create the school would even get out of committee, let alone pass the Legislature. Thus, the Legislature and Governor will find it most difficult to accomplish the same kinds of actions that were relatively simple just four years ago. Local officials and their constituents have difficulty understanding why the top levels of government cannot act. While each issue involves a limited number of

Legislators, the integrated effect of several issues causes a broad group to question the power of the Regents.

Just after the 1974 Constitution was implemented, numerous actions of the Regents caused the institutions of higher education to view the Regents as part and parcel of state government. State government, on the other hand, views the Regents as part of the higher education community. Thus, even though the Regents are established as a very powerful board, there is a real question as to whether they can be effective, or even survive, in light of existing political tensions. And the political tensions can be expected to intensify as the various agencies (Executive, Legislative, Regents, Management Boards, and Institutions) face complex issues in the areas of finance, program approval and review, management, academic autonomy, policy, etc. These important issues which must be resolved by the governance structure are discussed in the following sections. For the present, the Governor, Legislature, and central state agencies are reacting to recommendations from the Regents, they are no longer serving as active agents to initiate change in higher education.

E. Budgets and Financial Operations

1. Budget Preparation

The State Division of Administration is responsible for budgetary procedures in Louisiana. Prior to the formation of the Board of Regents, each institution prepared their budget request and submitted it to either the Board of Supervisors or

the State Board of Education. These Boards analyzed the budget requests and passed their recommendations on to the Legislative Budget Committee. After the Board of Regents was created and given responsibility for budgets of all higher education, the procedure changed rather significantly. First, the budgets were developed on the basis of formula appropriations, and secondly all budgets had to be submitted to the Regents for their approval and recommendation to the Legislative Budget Committee. At the time the new Constitution was implemented and state government reorganized, the Legislature required all state agencies to follow zero-based budgeting procedures and to participate in a central cash management control system. Fortunately, the institutions of higher education were exempted from the zero-based budgeting as well as the central cash management.

Under current budget procedure the Division of Administration early each fall sends budget instructions and appropriate forms to each institution. The Board of Regents sends budgetary policy memoranda to each of the management boards. These memoranda set forth the criteria for budget preparation. After receiving the ground rules from the Regents, each institution estimates the revenues expected from state appropriations according to the formula, student fees, federal funding, and auxilliary enterprises. These total anticipated revenues for each institution are submitted to the management boards for approval to proceed with the planning of expenditures consistent with the total revenues. Since the Board of Regents

directs all institutions to plan their budgets based on 100% funding of the appropriations formula, the early budgets are unrealistic in that the Legislature never appropriates funds at 100% level. Thus, many institutions regard the early budget preparation as an exercise having little or no meaning. In view of this, the administration may very well establish the budget without participation from the academic departments and colleges. Other institutions involve the academic units, but let them know very clearly the budget is optimistic and more realistic budget considerations will be developed at a later time. The latter approach permits the departments to participate in an early planning process; however, it is very unlikely that the full content of their work will be implemented. The early budget requests prepared by each institution are submitted to the appropriate management board for review. In general, expenditures are simply adjusted to equal the fictitious revenues and not a great deal of attention is given to these early budget requests. It could be said that attention is paid to the kinds of requests in the budget, but not to the amounts requested. After review and approval by the management boards, the budget requests are submitted to the Board of Regents early in December. The budget requests also include funds for construction of facilities and renovation thereof. The Board of Regents reviews these budget requests at open budget hearings, and as a result makes recommendations to the Legislative Budget Committee. For an example of the Regents recommendations to the Legislature, see Appendix D.

Beyond the level of the management boards, individual institutions have very little, if any, influence on the budget requests. Budget requests are most frequently defended in Legislative hearings by the Board of Regents and the executive officers of the management boards. One exception to institutional input falls in the area of major capital expenditures, wherein an institution may be requesting funds for a computer, a building, etc. In these cases, the institution may very well influence the Legislative Budget Committee. During the budget review process of the Legislative Budget Committee, cuts are certain to occur. The Board of Regents and the executive officers of the management boards negotiate these cuts. Generally, revenues associated with student fees, federal funds, etc., are not reduced in magnitude. Therefore, the state appropriation reduces back to consideration of the appropriations under the formula. To the extent possible, the funds appropriated under the formula are implemented at the same level for each institution. This past year, the Legislature funded most institutions at 88.5% of the formula appropriations. A few institutions that had fixed operating costs higher than those provided by the formula prior to the implementation of formula funding are provided funds in excess of the formula computations. For example, funding for LSU-Shreveport has been about 118% of formula for the past few years. Similarly, Grambling and Southern University have been funded at higher levels. Most institutions, however, receive the same percentage of formula appropriations.

As the budget picture develops over time, institutions begin to get a feel for what their level of funding will actually be. At the time that the Legislative Budget Committee makes its recommendation for the amount of funding to be included in the appropriations bill, each institution is given directions by its management board to prepare an operating budget consistent with a fixed level of funding. At this point, each institution gets down to very detailed and specific budget planning because the information to be presented will, in fact, be extensively questioned and will be, most probably, the budget the institution will live with during the upcoming year. These final budgets are submitted back to the management boards and given approval near the end of July, after the appropriations act has passed the Legislature and been signed into law by the Governor. The management boards then submit the budget consistent with the appropriations act to the Board of Regents for submission to the Division of Administration. At the time the budgets are submitted to the Division of Administration, there are generally changes in expected revenues as a result of student fees, federal funds, etc. Before the year starts, it is often necessary to submit a request to adjust the budget to a higher level than that in the appropriations act. Within a given institution, for a given budgetary unit, line items are transferable. For the institution as a whole, aggregate line items such as salaries, capital equipment, are not transferable without approval of the Division of Administration. In the past, it has been very easy to adjust the budget early in

the year, namely, at the time the initial budget is submitted. Later in the year, it is generally easy to transfer support monies (travel, supplies, capital equipment, etc.) over to salaries. On the other hand, it is extremely difficult to transfer salary savings over to support categories. For this reason, a number of institutions deficit budget in the area of salaries. If salary savings develop, these funds go into the deficit budget. Should the full estimated salary savings not be realized, then expenditures in support categories must be held to a level lower than the budgeted amount. Near the end of the year, it is very difficult to transfer line items, and most financial officers at the various institutions have become very skilled in expending year-end monies consistent with the goals of the institution, and yet meeting the requirements of state law. Often in a budget as large as $50-million, only a few hundred dollars will resort back to the state.

It has been most fortunate that institutions of higher education have not been included in the central cash management and central purchasing and contracts operation of the state. Each institution has its own purchasing agent and can secure goods and services at its own level. The institutions must follow the state statutes regulating purchasing; however, the institutions are very effective in their purchasing operations; especially when one considers the relatively long time-framework required to get a purchase made at the state level. Most certainly, if or when individual institutions are brought under the control of central state purchasing, the

faculty and administration will consider it an infringement on their autonomy, to include academic autonomy, because the institutions will just not be able to secure the goods and services required to support their educational programs within a reasonable time framework. Namely, business procedures will begin to obstruct the educational process.

2. State Appropriations Formula

In 1974, the state required each institution to prepare its budget request according to state appropriations formula. The formula is a very simple approach toward determining state appropriations for each institution while maintaining "equity" in funding patterns. The major intent of the formula is to remove institutional and regional competition from the budgetary process. The formula was derived in a very simple manner. It is assumed that the state should appropriate 73% of the educational and general expenditures of each institution; furthermore, it is determined that resident instruction and related activities should make up 68% of the institution's budget. Faculty salaries for a total institution, or the so-called salary base, makes up 66% of resident instruction and related activities. If, then, one can determine what the salary base should be, one can compute what the total institutional budget should be and the required state appropriation. The salary base is determined from average faculty salaries and related benefits and student/faculty ratios. Ultimately, the salary base is computed from unit dollar values applied to student credit hours. The unit values vary with programmatic

area and with level of instruction. Given the student credit hour production of an institution by level of student classification, it is a simple matter to compute the state appropriations for the institution. The revised state appropriations formula for 1977 is included as Appendix E.

In an earlier version of the formula, a separate factor was included to support research and public service at LSU. In fact, the formula allowed an additional 10% of the institution's budget. Collectively, the institutions have viewed the formula as an equalizer and no institution has been willing for another institution to have an advantage. Prior to implementation of the formula, the regional universities collectively lobbied the Board of Regents to remove the research and public service advantage for the Baton Rouge Campus. This action was successful, and all institutions are currently funded in exactly the same way. Research and public service are considered as a non-formula item, and while the state university expends approximately $5-million in general fund monies on research and public service, they are funded at approximately $1-million outside the formula. Thus, the attitude of the state university is that they must use monies intended to support instruction for research and public service mandated by the state government. Other areas where the formula is considered inappropriate include:

1. The formula does not provide start-up monies for new programs. Each year's budget is based on activity from the prior year. If a program did not exist in a given year, then

funds would not be generated to support it in the following year. This, more than any other factor, has probably held back the initiation of new degree programs under formula funding.

2. The formula is derived on the basis of averages - that is, the unit values included in the formula do not necessarily correlate with costs by programmatic areas. In an institution that has a disproportionately large program which requires funding at higher levels than allowed in the formula, it is most difficult to sustain that program. In large universities, these deficits and profits tend to balance out. On the other hand, in a smaller institution it may very well be that programs do not balance one another in the overall revenue expenditure analysis.

These two factors have created considerable discontent with the current formula if not with the whole concept of formula appropriations. In response to the growing discontent, the Board of Regents appointed a committee to develop a new formula. The recommendations of this committee were just recently considered by the Board of Regents. Very few institutions were pleased with the proposed new formula because the formula treated all institutions in exactly the same way and did not recognize the varying role and scope missions of the institutions. The formula has become a major issue in higher education within Louisiana. As a result of the emotion, the Board of Regents elected to set aside the recommendations of its committee and staff and to continue with the old formula for an additional year. When the matter is again reconsidered, it is clear that

each institution and their management boards will be pushing for equality under the formula.

State appropriations for individual Louisiana public institutions during the period 1958 to 1968 are included in Table VI. If one eliminates the Medical School budget from the appropriations, it is clear that the state has not kept abreast of national trends in funding. Prior to the instatement of formula funding, and during a time of higher recognition for education, individual institutions could, from time to time, gain a windfall in their funding. In this era of the formula, analyses of budget requests have become much more systematic and quantitative. It is as if a bridge were being built and the effort being made is to determine the minimum cost for an adequate bridge. In this envirnoment, it is extremely difficult for individual institutions to gain any appreciable increase, not only because of the justification requirement, but also because all institutions must be funded proportionately. Thus, to change the unit value in a given program area results in a dramatic increase in total state appropriations; one so large the state just cannot afford the request when applied to all institutions. Equity as an objective may, in fact, hold down budgetary competition; however, it also brings each institution to a common denominator. One that, in Louisiana, has been far too low.

Since Louisiana ranks 50th in the increase in state appropriations over the past ten years, higher education in Louisiana has developed very few frills. Budget cuts and/or

TABLE VI

STATE APPROPRIATIONS FOR PUBLIC INSTITUTIONS

	1966	1971	1976	1978
I. Trustees System				
Delgado Junior College	-----	1.86	6.23	7.26
Louisiana Tech University	6.42	8.25	11.39	13.79
University of Southwestern La.	7.84	10.02	14.52	18.71
Southeastern Louisiana University	4.65	5.55	8.67	10.41
Nicholls State University	2.68	4.89	7.65	9.45
Northwestern State University	5.11	6.33	9.77	10.62
Northeast Louisiana University	4.62	7.54	12.37	14.06
Grambling State University	4.52	4.45	6.30	7.51
McNeese State University	3.44	5.15	7.79	8.67
TOTALS	39.28	54.04	84.69	100.48
II. LSU System				
Alexandria	-----	1.09	2.12	2.79
Baton Rouge	-----	30.80	38.30	47.03
Eunice	-----	.72	1.26	1.62
Shreveport	-----	1.41	3.32	3.66
Medical Center	-----	11.23	26.36	48.86
University of New Orleans	-----	8.71	13.41	16.46
TOTALS	39.93	53.96	84.77	120.42
III. Southern System				
Baton Rouge	-----	-----	12.88	15.67
New Orleans	-----	-----	3.34	4.01
Shreveport	-----	-----	1.28	1.51
TOTALS	7.93	12.01	17.50	21.19
TOTALS 1958 1961 ALL SYSTEMS: 30.0 40.2	87.14	120.01	186.96	242.09

Note: Administrative budgets for Boards are not included.

steady state funding will result in cut-backs in existing academic programs. Many institutions feel strongly that they must make decisions consistent with institutional survival as opposed to institutional excellence. Since the formula appropriates funds on a per-student basis more or less, and the costs of operation do not increase proportionally with enrollment increases, the institutions realize enrollments are crucially important to sustaining their programs. As a result, intense student recruitment programs have developed within the state to include some rather liberal scholarship offers. The writer is not certain of the following statements, but there are some indications that a few institutions are offering scholarships on the basis that even though the students do not produce income in the current year's budget, the formula funds generated from the enrollment will be important to sustaining the next year's operations. In a survey of 53 recent high school graduates ranking in the top 15% of students across the state, it was determined by the writer that each and every one of them had received a scholarship offer from one particular institution. It is impossible for an institution to honor that many scholarship offers; however, in a circumstance where only a small percentage will accept the scholarship offer, it is considered to be good economics because small, but important, enrollment increases can be realized through this type of student recruitment. In a recent speech given by the Speaker of the House, he made note of the strong student recruitment and expressed his personal violent opposition to the buying of students within the

state, and indicated his belief that the Legislature would not stand still in the face of this kind of activity.

Financing higher education in Louisiana will be the major issue of the next decade. It will be far more complex than ever before in history because of the impending enrollment declines and enrollment shifts between institutions. The Board of Regents as well as the management boards have pledged to sustain all currently existing institutions as well as all justifiable programs. Thus, program reviews also become an issue as they relate to finance. While program review is a separate issue within this report, it should be noted that the Board of Regents and the management boards will have to reconsider existing programs in light of available resources. There will also be increased pressure for greater efficiency and increases in requirements for accountability which will be enforced via better management information systems and auditing procedures. It is virtually impossible to overstate the intensity of the tensions which will center around financing higher education in the coming decade in Louisiana.

Few institutions have accepted the fact that their enrollments are going to decline, and as yet very few institutions are speaking of funding for quality as opposed to quantity. In fact, a few institutions have permitted academic standards to slide in order to sustain quantity, and in the opinion of the author, formula funding has resulted in an overall decline in quality in higher education in Louisiana. When one combines the related factors of student enrollment, academic standards,

program review, and formula funding, it becomes such a complex issue that it may not be resolvable in a satisfactory manner. The Legislature will expect costs to decrease as enrollments decrease, while institutions will expect to maintain their funding. In the middle, i.e. the Regents and management boards, decisions directed at solving the complex issues will be made in the face of extreme tension.

F. Program Approval and Review

In order for an institution to implement a new degree program, create a new administrative unit, or reorganize substantially, prior approval of the Board of Regents must be obtained. The authority for controlling the increasing numbers of new programs was given to the coordinating council in 1969. From that point to 1976-77, the Regents approved 241 academic programs for implementation by public institutions. Many proposed new degree programs were denied. Procedurally, each institution must submit through channels to the Board of Regents a letter of intent one year prior to submitting a detailed plan for the new degree program or change. This requirement was put in place to give the Board of Regents a chance to observe all that is going on within the state prior to making decisions about individual programs. That is, the Board of Regents did not want to be in the process of approving a new degree program and find out one month later that a duplicate program was being proposed by a separate institution. It is in the area of degree program approval and program review that the faculty perceives the Board

of Regents as meddling in areas that should be the responsibility of the faculty.

The Board of Regents has also begun taking action with regard to existing programs. Their plan consists of first reviewing all doctoral programs within the state, then the master's programs and professional degrees, and finally baccalaureate programs. The review of the doctoral programs is substantially complete, and the Board of Regents has terminated 18 doctoral programs within the state. Clearly, the Board of Regents can control the role and scope of individual institutions through the program approval and review process. The Board can also influence substantially enrollment patterns within the state as they spot different educational opportunities across Louisiana.

The procedure followed in reviewing the doctoral programs was most interesting. First, the Board of Regents submitted to each academic department having a doctoral program a form to be completed. A copy of the format for review of academic programs is attached as Appendix F. At the same time, the Regents requested various professional organizations to recommend qualified consultants to participate in the program reviews. Most professional organizations responded to the request, and the Regents were able to compile a list of potential reviewers for each doctoral program. These lists were submitted to the institutions, and the institutions were given the opportunity to recommend additions or deletions to the list. In some cases, the professional organizations were not too thorough in their investigations of the background of their reviewers and recommended, in a few cases, faculty teaching at undergraduate schools. These persons were of course

judged to be uninformed as regards to doctoral programs. The departments were also permitted to recommend the three reviewers from the list whom they thought would be the most appropriate review team. After receiving the recommendations back from each institution regarding the review team, the Regents selected the review team.

Generally, a review team for a particular doctoral program spent one full day visiting the department at a given institution; they talked to the departmental administration, the faculty, the graduate students, and the upper administration. Based on the previous information submitted by the departments and the findings of the review team doing the site visit, recommendations were prepared for the Board of Regents. Typically, the review team would spend one day after the site visit structuring the format and content of their report to the Board of Regents. Presumably, they departed from this planning meeting and in some way actually drafted their report. Upon receipt of the reports, the Board of Regents forwarded the results for all institutions to each institution for review and comment. Virtually all of the doctoral programs responded. Later, the Regents held public hearings to receive direct testimony from the department heads and upper level administrators of each institution. Apart from the formal procedures, the Regents apparently met with the political representatives supportive to each institution and explained to them what they planned to do and the basis for their actions. By the time the Board of Regents met to make the final decisions, the decisions had already been made, and the Board took firm action with regard to terminating the 18 programs.

One institution decided to oppose the Board of Regents on the elimination of a critically important doctoral program; however, they were most unsuccessful in their political attempts to reverse the termination of their doctoral program. In another case, namely the doctoral program in Political Science at LSU-Baton Rouge, the review team found the program to be extremely weak. The University admitted that the program was weak, but expressed its intent to upgrade the quality of the program dramatically and pointed out the importance for the comprehensive state university to have a doctoral program in Political Science. In spite of this, on the basis of an extremely weak program the Board of Regents eliminated the doctoral program. The University immediately filed a letter of intent stating its intention to establish a new degree program at the doctoral level in Political Science. It will be interesting to see if the Board of Regents gives approval to what will amount to a reinstatement of the doctoral program in Political Science for the comprehensive state university.

G. Autonomy and Academic Excellence

Within government and higher education there are very few seeking methods by which to obtain the objectives of relevant government regulations while maintaining the intellectual independence of higher education. The focus in government is on writing and enforcing regulations, while the focus in higher education is to maintain intellectual independence. The objectives of regulation are not at issue, but the war is as intense

as if they were. Government as a whole does not understand the need for intellectual independence, and therefore is not concerned about its impact on this nebulous concept. This same statement applies to educators and their view of accountability, except that accountability is perceived as being a real but monstrous concept. In the opinion of the writer, there are ways to obtain the objectives of government while maintaining intellectual independence; however, it is not possible to preserve intellectual independence in the face of broadening government regulations. Thus, the solution to the problem requires an entirely different approach than the one followed for the past decade. In the material that follows an attempt has been made to point out where faculty and institution perogatives have already yielded, and to describe likely impacts of government on the intellectual independence and integrity of higher education in the future. The story applies to Louisiana.

Within institutions of higher education, matters of educational policy are usually delegated to the faculty. This includes the planning of curricula, course content, standards for admission, grading and retention, and many others. The Louisiana Constitution gives the Board of Regents total power over "programs" and institutional budgets. Over a period of time the faculty begins to be more concerned about the reaction of this external body and its policy constraints than their own collective view of the educational planning process. The language shifts to one that shows preoccupation with strategies to justify educational experience as opposed to one that deals

with questions of what is a good educational experience. The erosion is slow, but always present, and moves continuously in the direction of foregone intellectual freedoms.

At the Regents' level, programs are generally defined in a very narrow sense, i.e. by degree title or specific activity. Thus, second-order impacts of terminating a program or not approving a new program are rarely considered. How termination of a doctoral program will influence an important public service institute is rarely considered. Currently, the Regents are reviewing developmental education programs. Here a collection of remedial courses and supporting services makes up a program. If the Regents elect not to fund developmental education at certain institutions, then enrollments and/or admission standards will be influenced. Developmental education has varying effects on degree programs. For example, the activity would be much more important to agricultural programs than to programs in the humanities. Other areas in which the Regents are having, or may have, significant impacts include statewide tenure policies, course numbering, transfer credits, and others. Clearly, these involve traditional faculty responsibilities.

The time spent in generating reports to external agencies or in preparing internal reports required by external agencies subtracts substantially from resources available for the primary mission of the institutions. The writer has yet to see an institutional catalog that includes reporting academic planning as a mission of the institution. Yet, faculty are heavily involved in this activity.

What will happen in the area of management autonomy is not yet clear. Data base technology and distributive computer networks make it possible for external regulators to know almost any detail about internal decision making. Currently, the Regents have available comprehensive student profile reports, facilities utilization reports, and budget reports. They are constructing comprehensive personnel files. Thus, teaching loads, classroom utilization, student schedules, program costs, etc., will be available. Will administrators retain flexibility, or will regulations and audits create a rigid operating framework for all institutions?

Significant autonomy has been lost in Louisiana due to externally applied regulations by both the state and federal governments. Internal operations of the universities become more legalistic and regimented each year. The only hope for the trend to be reversed lies in obtaining government understanding and recognition of the importance of intellectual independence. As yet, no one is effectively communicating this message to those who fund education. Perhaps this will be the contribution made by the Sloan Commission.

H. Summary and Projections

Unlike many states, the structure and dynamics of the governance of higher education in Louisiana is no longer an issue. The governance structure is clearly established in the State Constitution and in state law. The structure is well understood, but not supported, by all concerned with higher

education. The issues will be how to resolve the problems of higher education viewed primarily in a management and financial context as opposed to academic excellence. The level at which these issues will be deliberated will include the Legislature, Board of Regents, and Management Boards more than the institutions. The Board of Regents will be the dominant force. The Legislature will concern itself with the shortcomings of the system and attempt to correct these by law as it did in establishing the admissions requirements and curriculum requirements for the state's colleges of education. The Management Boards will attempt to preserve the institutions under their control and in so doing will be forced to become more involved in internal administrative matters. The major issues will center around funding and most probably involve the appropriations formula, student recruitment, program review, and institutional financial aid. In the early stages, few, if any, of the issues will involve matters of academic excellence.

The next decade will see a period of declining enrollments, major enrollment shifts, and a comparative level of state funding. Since Louisiana ranks 50th in increased appropriations for the past ten years, the lack of appropriations will have a more profound effect than in most states. Budget cuts and/or steady state funding in the face of inflation will force cutbacks in existing academic programs. Yet, the state has pledged to sustain all currently existing institutions as well as all justifiable programs. This objective will require increased funding from some source, or more strict definitions of

justifiable programs. Thus, program reviews will become an increasingly important issue in an attempt to balance costs in relation to available resources.

The secret of financial aid, i.e. that by increasing student fees and coordinating institutional, state, and federal student financial assistance programs, the state can transfer much of the cost of higher education to the federal government, is not widely understood in Louisiana. If it were understood, there probably would be a reluctance on the part of the state to follow this course of action. Thus, the governance structure will probably face the financial issues in head-on fashion. This will be greatly complicated because the liberal federal financial aid programs will make choice of institution a real benefit to the majority of students. Up until recently, cost has been a major factor in controlling enrollment patterns. Whether or not the state can effectively deal with the problems stemming from enrollment shifts within the constraints of limited state funding, appropriations by rigid formula, and its program review policies is an open question.

The Board of Regents will find its job of statewide planning and coordination impossibly complex in the face of these political and economical tensions. Significantly increased management and academic reporting will be required as the Regents continue to use sophisticated analytical methods in their decision making. Most probably, the Regents will move toward greater control as opposed to broad coordination as they attempt to fulfill their responsibilities. As a result, there will

be more requirements for specific management procedures in planning, budgeting, personnel actions, and program review. In order to reduce duplication of effort, the institutions will incorporate more and more of the forms and procedures required by both the state and federal governments. Continuation of this trend will physically extend government into the institutions, and it will be difficult to determine where government regulatory activities stop and educational activities begin.

If the institutions begin to fail in their missions of teaching, research, and public service (and some will), concern will develop in the public and in turn in the Legislature. Already the Legislature has questioned the competencies of graduates from the state's colleges of education, and the news media is currently pointing out failures of the higher education community in the areas of lost accreditation and failure rates on state and national licensing examinations. The resulting concerns will most probably trigger program reviews at the state as opposed to institutional levels. Thus, it is very likely the institutions will be caught between conflicting constraints, produced in large measure by the governance structure.

Under formula funding, institutions are forced to view student enrollments as the key to financial stability and thus, the numbers game will continue into the future. Student recruitment will be a high priority for most institutions, and there will be further erosion of academic standards as institutions attempt to keep enrollments up. Few institutions have accepted the fact that their enrollments are going to decline,

and those in jeopardy from the student choice aspect of student financial aid are not aware of it. Thus, no institutions are speaking in terms of funding for quality as opposed to quantity. When it becomes clear that the enrollments for the majority of the institutions are going to decrease, or the Legislature becomes overly concerned about the quality of graduates, the majority of the institutions will then push for changes in the basis for funding higher education in Louisiana.

To date, the students, faculty, and administration of the various institutions have held together fairly well. There has been no major movement toward unionization on the part of the faculties in Louisiana. The little union membership that does exist, resulted from faculty discontent with administration in one or two institutions. The faculties do feel, however, the growing tensions related to government regulations and the lack of financial resources. There appears to be a growing discontent and distrust within the faculties as a whole. They are frustrated in their decision making as their decisions relate to enrollments, budgets, program approval, student interest, programmatic costs, manpower needs, etc. The days of their ability to remain detached from the objectives of government and the day-to-day needs and concerns of society are passing quickly. When the nature of their work looses significant parts of the traditional reasons for being a faculty member, it is likely they will look very much toward salaries, fringe benefits, etc. And, while the faculties of Louisiana are inclined toward professional status, they may well unionize in an attempt to protect their current

status. If, in other states, unions are effective in by-passing the administration, management boards, and coordinating agencies, then there will be a strong incentive for faculties to unionize in Louisiana. Whether or not, or when, this happens depends on government's willingness to honor the traditional faculty responsibilities and the administration's willingness and ability to shield the educational process.

Most private institutions in Louisiana are receiving direct state appropriations on a head-count basis for enrolled residents of Louisiana. As a result, the state considers the private institutions to be accountable to the Board of Regents, even though no major enforcement of this accountability exists as yet. The public schools are opposed to state funding for the private sector, while the private schools are looking toward increased state appropriations. The private schools are also seeking more federal assistance through federal financial aid programs. Many, or all, of the small private institutions are experiencing severe budget problems, and without help may be forced to close. As yet, it is not clear how substantial the state's response will be; however, the Regents have recognized the importance of the private sector in Louisiana's higher education system. Thus, the setting regarding public versus private higher education in Louisiana is typical of that in other states. If the private sector were larger in proportion to the public sector, tensions would be greater than they are. For the present, the public sector seems to have greater concerns than what the state might do for the private institutions.

As the state's ability to fund all services of government diminishes, there will be a greater effort on the part of the Legislative Fiscal Office to control costs on all state operations. Currently, all state agencies except education are directly controlled by the Legislative Fiscal Office and/or the Division of Administration. The Legislative Fiscal Office is pushing for a more direct formula, tighter control over budgets, the shift of university financial operations to the state, and central cash management. Thus far, higher education has resisted any transfer of control to the Legislative Fiscal Office and the Division of Administration. The extent to which higher education will be able to resist these trends in the future depends on how tight state resources become and how state government views the efficiency of higher education. These pressures will continue far into the future with little chance of gaining a lasting agreement.

Another unresolved issue involves Louisiana's new cabinet form of government. As yet, it is not clear how education will be represented. There is a statewide elected official, the State Superintendent of Education, who is responsible for elementary, secondary, and vocational-technical education. Higher education will also want representation via the chief executive officer of the Regents, as well as representation for the management boards. The powers of the person(s) who fill this responsibility as well as his/her philosophy of education will have considerable impact on higher education.

To date, it is not possible to prove or disprove that government intrusion has harmed higher education in Louisiana. The Board of Regents can point toward control of costs through elimination of unneeded programs, more efficient management schemes applied on a statewide basis, reduction in program duplication, etc. Critics claim that these gains have been offset by higher internal management costs, less effort and resources applied to the educational process on the whole, and especially loss of academic autonomy. Similarly, the federal government can point to increased enrollments of minorities, better salaries for women, better opportunities for the handicapped, reduction in abuse of research funding, etc. Critics point out these objectives could have been attained without creating the internal systems to insure compliance and without sacrificing the primary missions of the institutions. Who is right, and where is education apt to go from here?

The educational process has been quantified to the same extent as if the institutions were manufacturing a product. In fact, the number of such variables far exceeds the minimum number of variables required to specify all possible consumption-production relationships of an institution. This means management schemes will tend to increase in complexity and number as attempts are made to gain efficiency and control costs. There will be increased reporting requirements, and if distrust continues to increase, there will be increased auditing of all aspects of the educational process. Administrators are being (and will continue to be) forced to become more concerned with compliance,

understanding external management schemes, etc. Less attention is given to understanding the interests and learning styles of students, getting the right students in terms of ability and interest into the "best" educational experience, helping faculty to develop to their full potential and encouraging intellectual pursuits in general. At present, it appears that state and federal government will not understand the need for quality and intellectual independence. Thus, they will continue with their current approach toward regulation. As a last resort, it will be up to higher education to find methods by which to comply with regulations, and to report measurements of educational productivity while minimizing the effect of these activities on the internal educational process.

Continuation of the trend of the past few years is certain to permanently damage the educational process in Louisiana and prove the educational community to be right in their claim that intellectual independence is essential. It is the opinion of the writer that government will be wise enough to recognize the need for the critical components of educational policy to be controlled at the institutional level and that institutions will make the internal adjustments required to minimize the impact of compliance and management reporting.